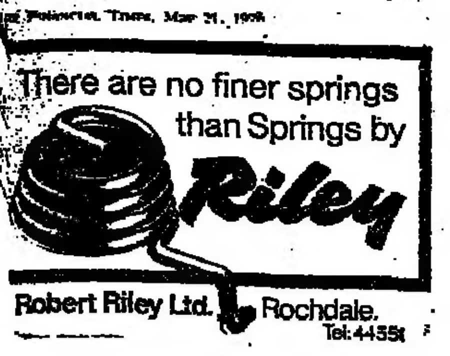


FINANCIAL TIMES

No. 26,975 Friday May 21 1976 *10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Ptas.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

ENERAL

Liberals were smeared —PM

r. James Callaghan told the mmons yesterday that there is no doubt that a smear mpaign had been mounted ainst individual members of e Liberal Party.

However, the Prime Minister id that apart from the episode volving Mr. John Russouw, a cond Secretary at the South rican embassy in London, ere was no evidence to link e campaign with the South rican Government.

Mr. Callaghan said that he had ked Mr. Anthony Crosland, reign and Commonwealth cretary, to consider making a itement on the matter. This uld suggest that D 16 the erseas branch of the security rvices, is involved in the in stigation ordered by the Prime inister.

'ardoe rebuke

Meanwhile, as Mr. John rdoe, Liberal MP for Cornall North, yesterday attacked urnalists for turning the Westinster Lobby into a "school r scandal," Mr. Russell Johnon, Liberal MP for Inverness itered the lists as fourth conder for the Party leadership. Mr. Jo Grimond, caretaker beral leader, in sharp Comons exchanges over the cancel 1g of the Rhodesian cricket ur, urged the Government to op its ban on Rhodesian sportsen coming to Britain. Parliaent, Page 16

mortar bombs eized in Ulster

ight mortar bombs similar to iose used in an attack on Belist's Aldergrove airport in arch have been seized in north elfast by the Army.

peed-up for assport holders

lited Kingdom passport lders are being allowed into itain somewhat faster, but not ive the 5,000 annual quota, . Roy Jenkins, Home Secrey, told the Commons. Parliaent, Page 16.

rria arrests

ious political divisions have rged in Syria, where accordto unconfirmed reports hing Beirut, several hundred ple including army officers Baath Party members, have 1 arrested. Back Page

lting-up

maximum fine for failing ear a car seat-belt was red from £50 to £10 yesterday Commons Standing Comee when three Labour MPs l with the Opposition. Parent, Page 16

bies law move

st without warrant in cases eople breaking the law on s is being considered by the rnment, the Prime Minister the Commons.

l fraud case

en British Rail ticket cols from Waterloo Station ired at London's Horseferry court on a total of more 100 charges of theft and ying accounts.

unger dies

Kenneth Younger, a former ir Minister of State at the gn Office and who headed ommittee on the protection ivacy, has died in London. as 67.

efly . . .

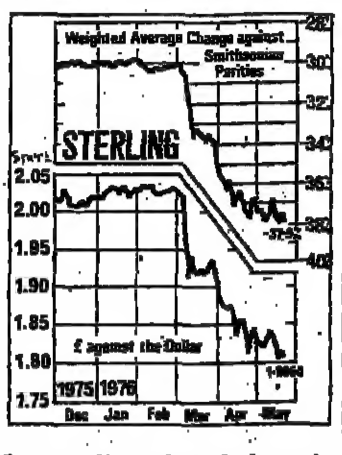
Queen will travel in the yacht Britannia—and not rde—to the U.S. in July. rde services to U.S. Page 9

ln went into a 2—0 lead Romania in the Eastbourne Cup matches. Page 2

BUSINESS

Sterling falls sharply in U.S.

● STERLING lost 25 points to $1.8060 and later in New York fell sharply to a record low of $1.7922½ on U.S. money supply



figures; its weighted depreciation was unchanged at 37.9 per cent. The dollar's widened to 1.67 (1.65) per cent.

● GILTS were undermined by fears of a rise in the U.S. prime rate and the possibility of a new "tap" stock to-day. The Government Securities index lost 0.28 to 63.55.

● EQUITIES were little changed, the FT 30-share index losing 0.2 to 410.3. The investment currency premium fell to 111¼ (118¾) per cent.

● GOLD lost $¾ to $125¼.

● WALL STREET closed 8.37 up at 997.27 encouraged by an upward revision in first-quarter GNP figures. Page 5

● HOUSE PRICES in the second-hand market were steady in the first quarter while there was a 1½ per cent. rise in new houses. Back Page

British Gas again profitable

● BRITISH GAS returned to profitable trading in the past financial year but will still seek a price increase in about six months. Page 9; Editorial comment Page 18

● MACHINE TOOL industry orders-on-hand at the end of February were at an all-time low in real terms, according to official statistics. However, there was a marked increase in new orders. Page 10. Steel stockholders report rising demand for many types of steel during the last few weeks. Page 9; FT survey, Pages 19-26.

● EUROPEAN AMERICAN Banking Corporation, of which Midland Bank is a large shareholder, faces $9m. suits in the U.S. in connection with syndicated loans to the Colocotronis shipping group. Back Page

● CAMMELL LAIRD Shipbuilders in Birkenhead expect to make lay-offs to-day due to a three-week dispute involving 95 scaffolding erectors. Page 10

● KELLOGG plans to acquire Tropicana, another big U.S. breakfast food company, in a $317m. deal. Page 34

COMPANIES

● BEECHAM GROUP pre-tax profit for the year to April rose to a record £91.2m. (£61.9m.) on increased sales of £566.6m. (£436.4m.). Total dividend is 5.54p (5.11p). Page 29 and Lex. BOOTS pre-tax profit for the same period increased to £72.2m. (£65.7m.) on sales of £648m. (£531m.). Page 30 and Lex

● TRAFALGAR HOUSE Investments first-half pre-tax revenue rose to £14.01m. (£9.81m.). Chairman says prospects are "distinctly brighter" than for several years. Page 29 and Lex.

● COATS PATONS pre-tax profit for 1975 fell to £36.99m. (£47.26m.). Page 29 and Lex

EF PRICE CHANGES YESTERDAY

es in pence unless otherwise indicated)

RISES

d and Smithers	205	+ 7
am	390	+ 12
m Millar	42	+ 4
ton Hove Stdm.	56	+ 4
Benzol*	23	+ 3
(G. M.)	61	+ 5
nan's (London)	178	+ 5
ros I. v. Tst. "B"	62	+ 8
on and Welch	304	+ 9
Property	138	+ 8
Secs.	166	+ 6
	74	+ 4
rty Secs. Inv.	55	+ 4
rs	92	+ 4
Conversion	164	+ 6
gar House	102	+ 5
l Scientific	136	+ 11
	683	+ 10
Transport	462	+ 4
Weeks Nat. Res.	85	+ 10
Oakbridge	86	+ 4

FALLS

Treasury 9¾pc 1981	£95	− ¼
Treas. 12½pc '93 "A"	97	− ½
Beaver Group	54	− 4
Furness Withy	211	− 8
Gates (F. G.)	90	− 5
Hawker Siddeley	456	− 8
Hongkong & Shanghai	300	− 20
Jardine Matheson	327	− 26
Jardine Secs.	120	− 10
Philips' Lamp	940	− 32
Tootal	39	− 3
Wheelock Marden	36	− 3½
Blyvoor	440	− 40
Botswana	60	− 7
Cons. Gold Fields	170	− 6
De Beers Dfd.	227	− 11
Metramar	13	− 4
Randfontein Estates	£16¼	− 1½
South African Land	185	− 25

Burmah sells U.S. assets to Reynolds in £290m. deal

BY MARGARET REID

Burmah Oil has concluded a $520m. (£290m.) deal to sell its North American oil and gas interests, as required under its agreement with the Bank of England under which it received major financial backing to fend off a crisis at the end of 1974.

The buyer is R. J. Reynolds, the diversified U.S. industrial group, which made an unspecified offer last November which was turned down by Burmah as "inadequate" for the business now being bought.

A Burmah spokesman said last night that the price now fixed was larger than that previously rejected, but declined to say by how much.

Under the agreement, revised early in 1975, by which the Bank of England stepped into assist Burmah, it gave guarantees of $650m. of the group's dollar borrowings, which were renewed in December until September, 1976.

Repayments

A transaction a few months ago, under which Burmah sold off its Great Plains Development Company in Canada, has already enabled it to repay some $100m. of the borrowings in question.

It appears certain that the proceeds of the larger sale of the oil and gas interests to Reynolds will open the way for the repayment of a further $520m., leaving only a minor $30m. of the dollar credit unpaid.

Mr. Alastair Down, Burmah's chairman, said last night that he would regard completion of the deal as satisfactory from Burmah's point of view in that it would dispose of these U.S. assets as a complete package.

A joint statement from Burmah and Reynolds said Burmah had been endeavouring to dispose of its exploration and production assets in the U.S. to repay outstanding dollar borrowings.

These assets include the business bought from the Signal Oil and Gas companies in a $480m. deal at the end of 1973, minus the Thistle North Sea oil interests included therein, but with the addition of certain other Burmah oil business

Reynolds' chairman, Mr. Colin Stokes, said after the deal's announcement yesterday that his group's proposed acquisition from Burmah was in line with his company's objectives for its activity in the energy business. "We plan to continue to emphasise the area of highest return in our energy operations," he added.

The Burmah oil and gas interests in the U.S. are in exploration in California and the Gulf of Mexico; distribution and marketing; and leases for development and production of geo-thermal energy in California.

The big transaction now announced is clearly a considerable step on the road to recovery for Burmah and one which will improve its standing with the banks.

But there can be no doubt that the group still faces formidable problems, notably on its tanker side, where large losses have been incurred in the past two years and where heavy commitments remain on existing contracts which the group is endeavouring to reduce by negotiation.

Two other major deals important to Burmah's future are still to be completed.

They are the financing for an agreement with the General Dynamics Corporation on liquefied natural gas tankers, and the formation with the British Government of a joint company to take over Burmah's North Sea assets.

Pre-tax loss

In 1975, the group incurred a pre-tax loss of £13.6m., while the accounts listed contractual payment commitments running into hundreds of millions of pounds on tanker and other shipping contracts up to the end of the

Continued on Back Page

Lex. Back Page

U.K. may pull out cod war frigates

BY MALCOLM RUTHERFORD

OSLO, May 20.

THE British Government is considering withdrawing Royal Navy frigates from the disputed fishing waters off Iceland but it is seeking ways of getting something in return.

The sticking point remains Icelandic refusal to give assurances that there would be no harassment of British trawlers once frigates were out of the way.

It has emerged that there are two possible approaches to getting round this problem. The first would be to withdraw trawlers as well as frigates on condition that there would be speedy negotiations towards settlement of the cod war.

The second would be for Iceland to give assurances in private that harassment would be kept to a minimum.

Mr. Anthony Crosland, Foreign Secretary, was in contact with the British Government to-day after his surprise 75-minute meeting last night with the Icelandic Foreign Minister, Mr. Einar Agustsson.

Mr. Agustsson is consulting his Government, a process made more difficult than usual by the fact that the Icelandic Prime Minister, Mr. Hallgrimsson, is in Helsinki.

Despite strong public statements, especially on the Icelandic side, the general impression is that both countries want to use the NATO meeting here to make at least some progress towards peace.

Mr. Agustsson, meanwhile, told the Press that pressure for Iceland to leave NATO and to close the U.S. reconnaissance base at Keflavik would become unbearable if the cod war were not settled soon.

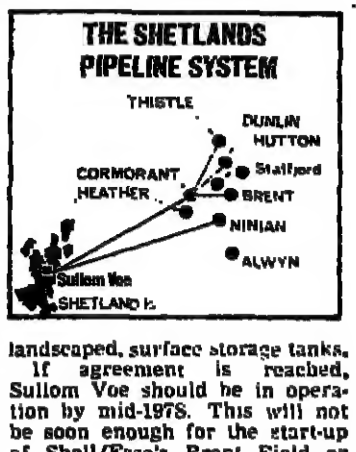
He also suggested that Iceland was now interested only in a short-term agreement of three to six months; after which all British fishing off Iceland would have to end.

Talks to-day on oil storage dispute

BY RAY DAFTER, ENERGY CORRESPONDENT

AN IMPORTANT meeting will be held in Shetland to-day in an attempt to resolve the dispute threatening the oil terminal at Sullom Voe.

The terminal is destined to become the biggest in Europe, costing the oil industry between £450m. and £500m. and handling more than half the crude produced from the U.K. sector of the North Sea by the early 1980s. Its development has been held up by a long-running argument over storage facilities.



Oil industry representatives are expected to propose a compromise solution to-day when they meet leaders of Shetland Islands Council.

The plan probably will be discussed by the Sullom Voe Association which comprises representatives of the council, Shell—the operator for the Brent pipeline system—and British Petroleum, the Ninian pipeline operator.

It is understood that oil companies will offer to combine the proposed two oil treatment plants. This will mean that crude from the Brent and Ninian systems will be pumped into one complex.

In return, the companies are seeking the go-ahead for their plans for surface storage—prime cause of the dispute. The council has insisted that the companies should use underground, cavern storage for the 1.2m. barrels a day of oil which is likely to flow to the terminal.

The companies have said that geologically Sullom Voe is not suited to caven storage and that the cost involved would be £26m. to £30m. more than for ground-level storage—an increase of about 90 per cent.

It is likely to be argued that the amenity benefits of combining the treatment plants will outweigh the visual impact of landscaped, surface storage tanks.

If agreement is reached, Sullom Voe should be in operation by mid-1978. This will not be soon enough for the start-up of Shell/Esso's Brent Field or some of the other finds in the Shetlands system. Consequently, initial production of oil will be through single-buoy mooring systems into tankers.

Some companies have been making contingency arrangements, based on development of offshore loading schemes, in case the commissioning of Sullom Voe is further delayed.

BP would not comment on the nature of to-day's talks although Shell has indicated that it feels that the industry and council should start coming closer together within a couple of months.

Mr. Ian Clark, chief executive of the council, said that he was encouraged by statements from companies.

● An attempt by the Occidental consortium to expand storage facilities at another major oil terminal, on the Orkney island of Flotta, is meeting resistance from residents. Fifty-six of the 76 electors on Flotta have signed a petition to Orkney Islands Council objecting

North Sea Oil Review, Page 35

CBI seeks to improve managers' tax treatment

BY MICHAEL BLANDEN

THE Confederation of British Industry yesterday opened a campaign to ease the pressures on living standards of managers in industry.

A delegation led by Lord Watkinson, new president of the confederation, met Mr. Denys Healey, Chancellor, to press the case for better treatment of management and to fight for changes in proposals for higher taxes on fringe benefits.

Lord Watkinson illustrated his argument with case histories underlining the increasing difficulty of British industry in competing with companies abroad for management. There was growing evidence, the confederation said, "of managers preferring to work in other countries where their skills were recognised and given due reward."

The confederation estimates that real living standards of managers in the U.K. could drop by another 10 per cent. or so over the next year, following a reduction of 30 per cent. or more in the past two years.

Slight offset

Managers have been hit by taxation and inflation and neither pay rises allowed under the Government's policy nor planned tax concessions will do more than provide a slight offset to the drop in real incomes, the CBI adds.

Proposals to tax fringe benefits have caused special concern. Lord Watkinson said yesterday that the extra tax on company cars alone could cost individual executives upward £100 a year.

The CBI maintains the proposals mean "the majority of managers will be substantially worse off in real terms, even with the pay increases and tax concessions allowed for the next round of the pay policy."

The confederation said it was not against the principle of taxing benefits. But it impressed on the Chancellor the "very strong feelings of unfairness" aroused by the proposals being made without, at the same time, making substantial changes to higher rates of income tax.

It believed the timing of some of the details of the proposals was "unjust and damaging," bearing in mind that "managers have suffered far greater cuts in real income than most other people."

The CBI asked the Chancellor to ease the proposed tax increases on fringe benefits and is hoping to meet the Inland Revenue next week for more detailed talks on its suggestions.

These include an extension until 1980 of the transitional period before the full tax on company cars comes into effect—an extra two years at which only half-rates would apply. The suggestions also include proposals to make allowance for employees who use cars predominantly for business purposes.

It is felt that the Government proposals, which include a general scale of rates, would hit particularly hard the employee who makes little private use of a car. The CBI suggests that some part of the present system, under which cars are taxed in relation to private mileage, could be retained.

The CBI also has suggested easing new rules relating to cheap loans provided by employers so that those made in the last two years should not be covered until 1980 and further relaxations in proposed regulations covering stop-loss provisions in share incentive schemes.

● The CBI has been backed by a strongly-worded memorandum to the Chancellor from the Engineering Employers' Federation putting forward more radical suggestions for amending fringe benefit proposals.

Significant loss

The federation says that executive staff in British industry is paid less than abroad and there is "a significant loss of high-quality professional and managerial talent through emigration." Extra tax on fringe benefits would add further disincentive.

The proliferation of fringe benefits, the federation believed, was entirely due to the "excessive and unreasonable rates of British personal taxation."

Fed still lets interest rate rise

BY STEWART FLEMING

NEW YORK, May 20.

EVIDENCE that the Federal Reserve Board is continuing to allow interest rates to rise in the U.S. provoked sharp falls in prices on the New York bond market and a fall in sterling below the $1.80 mark on the U.S. foreign exchange markets to-day.

As soon as bond and foreign exchange dealers caught sight of the latest U.S. money supply figures when they were released at four o'clock this afternoon bond issues fell and sterling sellers appeared.

After release of the money supply figures last week the money markets became convinced that the Federal Reserve Board had decided to allow the key Federal funds rate — the rate on inter bank reserve funds —to rise a notch to 5.25 per cent.

To-day, after what the bond market decided were another disturbing set of money supply figures, dealers were unanimous that the Fed is again trying to tighten credit policy, although they are still divided about by how much.

Top end

With the Federal Reserve engaging in open market activities at around 5⅜ per cent. to-day, some bond analysts feel that this is now the target rate for the Fed at the top end of its range.

Others are convinced that the target is already at 5.5 per cent. and they are beginning to anticipate increases in the commercial banks' prime rates.

Refund for V&G motorists

BY TERRY WILKINSON

ABOUT 700,000 motorists with unexpired insurance premiums with the Vehicle & General group, which crashed in March, 1971, can expect a payment on their premium refund claim early next year.

The joint liquidators, Mr. Paul Shewell, of Coopers and Lybrand, and Mr. Kenneth Cork, of W. H. Cork, Gully, have obtained court approval for the method by which the claims of premium refund creditors are to be agreed.

Essentially, the court has agreed to waive the requirement for all creditors to submit a sworn proof of their claim, so avoiding considerable administrative delays.

This means that the liquidators will be able shortly to circularise the 700,000 or so premium refund creditors with details of the amount of their claim.

Vehicle and General, whose directors were criticised by Department of Trade inspectors in a report last month, collapsed in 1971 owing policyholders about £16m. and unsecured creditors as a whole nearly £20m.

Mr. Shewell said yesterday that about £11m. of a total £12.3m. in assets had so far been realised.

When policyholders have received their statements the liquidators propose to put forward schemes for the premium refund creditors, that is those with unexpired premiums, who were owed about £5m. at the time of the collapse. If approved, these will mean a once and for all payment early in 1977.

The £11m.-worth of remaining creditors mainly those with outstanding accident claims, will receive at the same time an interim dividend on their claims.

The joint liquidators reiterate their view that "all unsecured creditors should receive eventually approximately 50 per cent of the amount of their agreed claims."

£ in New York

	May 20	Previous
Spot	$1.7910-7935	$1.8110-8120
1 month	0.80-0.75 dis	0.82-0.76 dis
3 months	2.25-2.18 dis	2.31-2.24 dis
12 months	8.20-8.10 dis	8.20-8.10 dis

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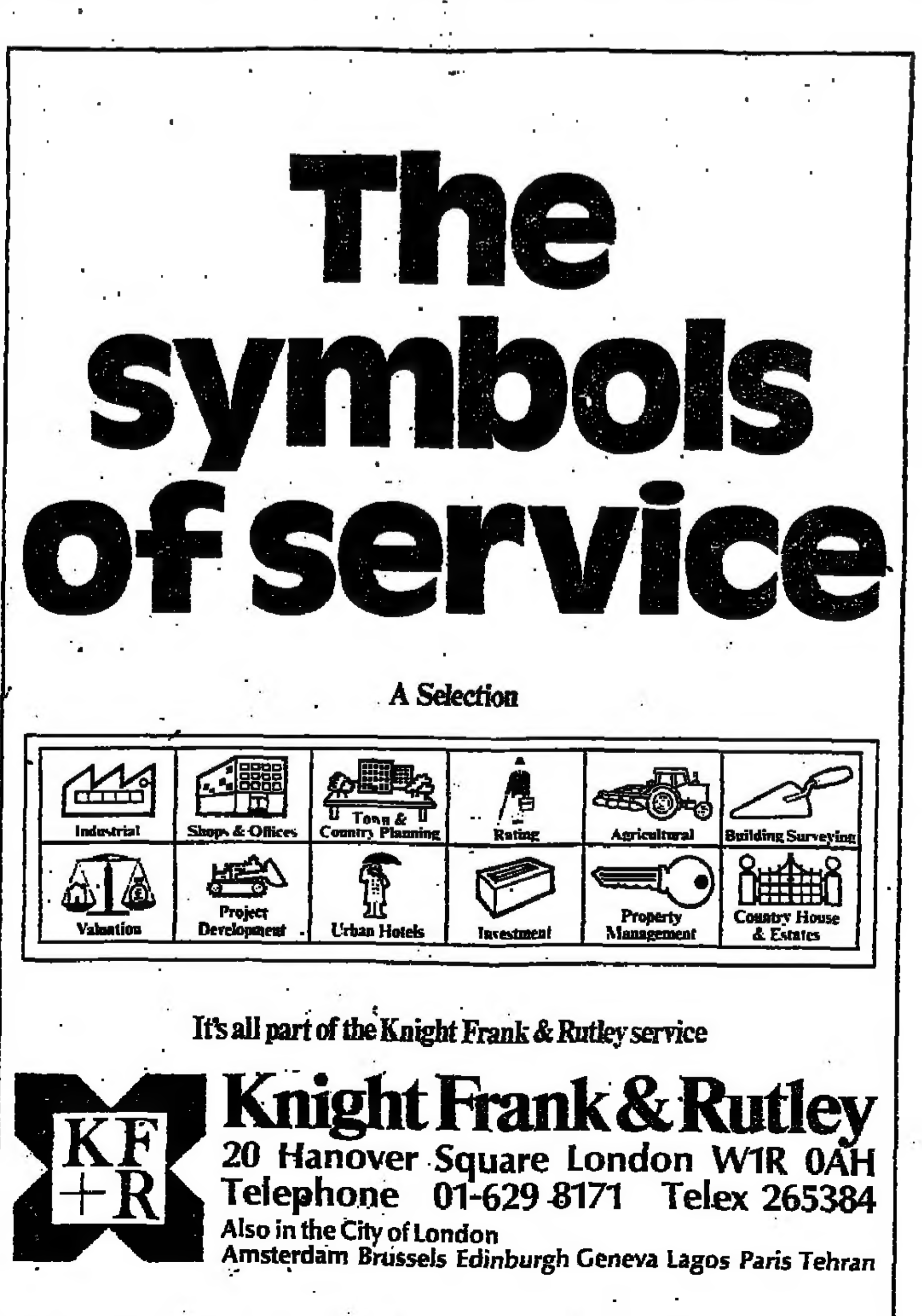
For latest Share Index 'phone 01-246 8026



LOMBARD

Bribery debate is for us, too

BY C. GORDON TETHER

MOST OF the big time international bribery that has been hitting the headlines of late has, of course, concerned American concerns. But some British companies have confessed to having participated in the business as well. So, if there is a strong case—as a giant American bank argued there is an initiative I wrote about last week—for a full public debate on the subject, we in this country have a duty to ourselves and to the outside world to play a full part in it.

It seems to me, therefore, to be impossible to be anything but unhappy about the attitude the Government has adopted to the issues raised by the disclosure that British Petroleum and Shell have made payments of £3.3m. to Italian political parties over a five-year period. For not only has it sought to block further discussion by declaring that, so far as it is concerned, the "incident"—as it chose to describe it — is closed. It has also identified itself with the highly dubious proposition that it would not be right for it to condemn such traffic unless its purpose was to sponsor corruption at home.

Discrimination

Indeed, when the Chief Secretary to the Treasury set out the official view on the matter in the House of Commons earlier this week, he came near to saying that, if such payments would help to win orders for us in the export markets, they would actually have the Government's blessing. Thus, when it was suggested that it was difficult for British traders to hold their own against foreign companies with fewer scruples, he replied that there was nothing that he or the Government would want to do to discriminate against our exporters in markets abroad.

It is true that the Government has talked of engaging in discussions through such bodies as the OECD and the UN about what can be done at international level to tackle the evils of inter-country bribery and corruption. But this intention was expressed in vague terms. And that, taken in conjunction with Whitehall's evident determination to have as little said as possible about the Shell-BP operations, obviously leaves room for the suspicion that this is really intended to make it easier to bury the subject by pretending that it will all be taken care of "in good time."

There is no difficulty in seeing that Britain is not going to be able to clean up the world on its own. But what is surely needed at this stage is a clear indication that it is prepared to do what it can to give a firm lead—by making it abundantly evident, for a start, that it does not want to see British companies subordinating moral and ethical principles to considerations of brutal commercial expediency.

There must be some limits to the extent to which we should allow the country's conscience to be compromised for the sake of winning additional foreign exchange earnings—making full allowance for the exigencies of our balance of payments situation. Again, how is it possible to justify an official approach to the bribery issue that maintains that corrupt interference in the home side's politics would be quite intolerable yet insists that it would be inappropriate to accept responsibility for preventing the home side corruptly interfering in other people's political affairs?

An example

And the Government cannot be allowed to side-step the charge that such reasoning is an affront to the proposition that one should do as one would be done by with the contention that responsibility for determining whether political interference by British companies abroad is acceptable or not rests with the countries concerned.

As this is a country that believes in democracy, its first duty in these matters is to the peoples of the countries concerned as a whole rather than to politicians who happen to be occupying the seat of power. Otherwise, it may be encouraging the perpetuation of situations wherein corrupt and/or totalitarian regimes are assisted to keep this illicit grip on their populations by finance supplied by this country.

There is the further point—and it is an extremely important one—that the greater the extent to which financial and commercial immorality is allowed to flourish in the world at large, the harder we are going to find it to prevent it penetrating our own corner of the globe.

It has been rightly said that the schoolroom of mankind is example—that he will, indeed, learn in no other. National and international morality has suffered some serious setbacks in recent years. We have a duty to play a full part in reversing that process. And we can only do that by showing that we are anxious to raise our own standards of behaviour whenever an opportunity presents itself.

RACING — BY DOMINIC WIGAN

Eddery may outshine Piggott

LESTER PIGGOTT rarely bothers to do a "double stint" nowadays, and many backers will be interested to see that the nine-times champion is taking in Kempton's evening meeting after his afternoon engagements at Newmarket.

Although he could have a winner at each course, Piggott may find himself overshadowed to-day by the present champion, Pat Eddery.

Eddery is taken to land the feature event at Newmarket, the Brandon Handicap, through *Oudalia* and also to score at Sunbury Park through *Kitty Fisher* and *Lost Chord*.

The best bet from his mounts seems to be Lost Chord who has shown himself to be a smart colt on both his appearances this term.

Lord Howard de Walden's powerfully-made Busted three-year-old, who failed by only a neck to catch the apparently more forward Lighter in a 19-runner maiden event at Newbury early last month, was again beaten in a photo finish when collared a few yards from the line in Ascot's valuable White Rose Stakes three weeks ago.

Driven into the lead a furlong and a-half from home in the White Rose Stakes, Lost Chord seemed all set to lose his maiden certificate until caught and passed by Tierra Fuego and Ragotina almost on the line.

Lost Chord, who was beaten by two heads in that 1½ mile event, will appreciate the additional furlong of this evening's Windsor Park Maiden Stakes and should be ideally suited by any further heavy showers, which will ensure good ground.

Piggott, who partners the chief threat to Lost Chord in Mr. Charles St. George's lightly-raced filly, Maximova, could end the day on a winning note when partnering the consistent Mr. Nice Guy in the Redfern Stakes.

A 16-1 winner at Newbury, half an hour before Lost Chord went down to Lighter, Mr. Nice Guy achieved the second success of his career last time out when getting the better of the heavily backed Celestial Gift in the Juliette Marny Stakes at Lingfield a fortnight ago.

One race unlikely to fall to either Piggott or Eddery is the Mentmore Stakes. Here Henry Candy's course winner, *Index*, the mount of stable jockey, Philip Waldron, should not be hard pressed to follow up the three lengths victory she gained over Leventis here on April 19.

NEWMARKET
2.00—Royal Budget
2.30—Crock of Ale*
3.00—High Drama
3.30—Oudalia
4.00—Aboma
4.30—Clear Melody

KEMPTON
6.20—Kitty Fisher
6.45—Modom
7.10—Glorified
7.40—Index***
8.10—Lost Chord**
8.40—Mr. Nice Guy

SALEROOM — BY MICHAEL THOMPSON-NOEL

Goya etchings make £33,000

THE NORTON SIMON Foundation of America paid £33,000 at Sotheby's yesterday (plus £3,300 buyer's premium) for a first edition set of 33 Goya etchings sent for sale by the Royal Academy.

The collection, *La Tauromaquaia*, was given to the Royal Academy by Mr. Brinsley Ford to set up a trust fund to enable British painters to study Spanish art. The pre-sale estimate for the etchings, which show very little wear, was £20,000-£30,000.

They were the high spot in a sale of Old Master engravings, etchings and woodcuts which amassed £86,839. A Dutch buyer paid £4,300 for a Rembrandt etching, *Beggars Receiving Alms at the Door of a House*, and £2,700 for another Rembrandt etching, *The Goldsmith*.

David Tunick, the New York dealer, paid £3,100 for an etching of Rembrandt's *Bust of an Old Bearded Man, Looking Down*. The bought-in percentage for this sale was 7.3.

Sotheby's also held a jewellery sale in London, which made £142,786 with a tiny bought-in percentage of 1.86. Asprey's paid £12,000 for an important late 19th-century diamond brooch/pendant, while an attractive Edwardian diamond and platinum riviere, c. 1907, fetched £11,500.

At Sotheby Parke Bernet, New York, on Wednesday, a jewellery sale totalled £371,306. Top price of £62,154 was paid for an emerald and diamond ring while a single-strand diamond necklace made £29,281.

A sale of English and foreign silver and plated wares, miniatures and objects of vertu (1825-1970) at Sotheby's Belgravia brought in £39,675.

This included £2,400 from a Spanish buyer for a William Ker Reid oval soup tureen and cover in the style of the 1770s, and £1,150 from Koopman, the London dealer, for an Edward Barnard and Sons seven-light candelabrum.

Christie's staged a successful £63,340 sale of English furniture. A pair of late George III satinwood and marquetry side tables sold for £8,400 to Fernandez and Marche, while a George III marquetry commode in the style of Pierre Langlois sold privately for £3,000.

Britain takes easy Davis Cup lead over Romania

ROGER TAYLOR and Buster Mottram each earned an easy £700 when they powered Britain almost effortlessly to a 2-0 lead over Romania in the European Zone quarter-final Davis Cup tie at Eastbourne yesterday.

A small crowd saw Taylor defeat Viorel Sotiriu 6-1, 6-1, 6-4 and Mottram beat Dumitru Haradau 6-2, 6-0, 6-2.

The Romanians, however, were without their star, Ilie Nastase. As Alex Lazarescu, the Romanian Lawn Tennis Association secretary and team manager, said: "Of course we miss Nastase, but if Britain had a player good enough to be invited to take part in the matches he is playing this week, then you would miss him, too, and this match might be a different story."

Taylor's match with the unhappy Sotiriu, the Romanian 26-year-old number four, looked like being a worse debacle than it was.

Two sets went inside 35 minutes and Sotiriu, with only nine points to show for his efforts in the opening set, seemed hardly able to combat Taylor's ruthless shots.

In the third set, however, Taylor found it difficult to maintain such a performance, errors crept in and Sotiriu was able to make more of an impression.

Mottram's opponent was hardly more talented. Ranked number three in his country, Haradau conceded the only love set of the day—it cost Mottram just 12 points.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University (UHF only). 9.38 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.15 p.m. Pobol y Cwm. 12.45 News. 1.00 Pebble Mill. 1.45 In the Town. 2.02 For Schools, Colleges. 3.00 Tennis: Davis Cup, Great Britain v. Romania. 3.58 Regional News (except London). 4.00 Play School. 4.25 Dastardly and Muttley in their flying machines. 4.30 Jackanory. 4.45 Right Charlie. 5.15 Newsround Update. 5.40 Paddington.
5.45 News.
6.00 Nationwide.
6.50 Sportswide.
7.15 The Wonderful World of Disney.
8.00 It's a Knock-out.
9.00 News.
9.25 Starsky and Hutch.
10.15 To-night.
10.45 A Throne of Kings.
11.15 Weather/Regional News.
11.17 Ballroom Champions.
†11.52 The Friday Film: "One Potato, Two Potato."

All Regions as BBC 1 except at the following times:—

Wales 1.45-2.00 p.m. O Dan y Mor. 6.00-7.15 Wales To-day. 7.15-7.30 Heddiw. 7.30-9.00 Royal Gala Performance. 10.15-10.45 Kane on Friday. 10.45-11.15 Poems and Pints. 11.15-11.17 News for Wales.

Scotland—6.00-7.15 p.m. Reporting Scotland. 7.15-7.35 The Food Programme. 7.35-8.35 It's a Knock-out. 8.35-9.00 Current Account. 10.45-11.15 The Forth and Clyde Canal. 11.15-11.17 News for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.15 Scene Around Six. 10.45-11.15 Gallery. 11.15-11.17 News for Northern Ireland.

England—6.00-7.15 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 10.45-11.15 North (from Leeds) Week-end Out; North-West (from Manchester) Champion Brass; North-East (from Newcastle) The Long Climb of the Keswick Brothers; Midlands (from Birmingham) It's You Affair; West (from Bristol) Chanson Francaise; South-West (from Plymouth) Peninsula; South (from Southampton) Friday Looking Sideways; East (from Norwich) On Camera.

BBC 2

6.40 a.m. Open University.
11.00 Play School.
3.50 p.m. Tennis: Davis Cup, Great Britain v. Romania.
5.00 Open University.
7.05 Mr. Smith's Flower Garden.
7.30 Newsday.
7.50 Top Crown.
8.15 The Money Programme.
9.00 Pot Black.
9.25 Jazz Ship.
10.10 The Critic (cartoon).
10.15 The Man Who Meant Well.
11.25 Newsnight.
11.40 Tennis highlights.
12.10 a.m. Closedown: Leslie Sands reads "Dogs in the Park" by Louis MacNeice.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Rainbow. 12.30 Those Wonderful TV Times. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. †2.30 Friday Romance: "Intermezzo," starring Leslie Howard and Ingrid Bergman. 3.55 General Hospital. 4.20 Soldier and Me. 4.50 You Must Be Joking! 5.20 University Challenge.
5.50 News from ITN.
6.00 To-day—the London Report.
6.35 Crossroads.
7.00 Sale of the Century.
7.30 The Fosters.
8.00 Police Woman.
9.00 Hadleigh.
10.00 News.
10.30 Police Five.
10.40 Wheeltappers and Shunters Social Club.
11.30 Shannon's Mob.
12.30 a.m. Ideas in Print.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.30 Friday Afternoon Film: "If Tomorrow Comes." 6.00 About Anglia. 8.00 The Magician. 10.30 Probe. 11.00 Shaft. 12.20 a.m. Christians in Action.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 2.30 Friday Matinee: "Three Young Texans." 5.20 Hogan's Heroes. 6.00 ATV Today. 7.00 Winner Takes All. 7.30 Streets of San Francisco. 8.30 The Fosters. 10.30 "The Brotherhood" starring Kirk Douglas.

BORDER

†1.20 p.m. Border News. 2.30 Friday Matinee: "A Tree Grows in Brooklyn." 6.00 Border News and Lookaround. 7.00 Winner Takes All. 7.30 Hawaii Five-O. 8.30 The Fosters. 10.30 Orson Welles Great Mysteries. 11.00 Late Night Film: Shaft. †12.25 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 2.30 Mystery Movie: Banacek. 6.00 Report at Six. 7.00 Winner Takes All. 7.30 Hawaii Five-O. 8.30 The Fosters. 10.30 Here Comes The Future. 10.50 Late Night Film: "The Mummy." 12.10 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. †2.30 Friday Matinee: "Murder at the Gallop" starring Margaret Rutherford. 6.00 Grampian Today. 7.00 Winner Takes All. 8.00 Hawaii Five-O. 10.30 The Late Film: "I Love You, Alice B. Toklas" starring Peter Sellers (followed by Road Report). 12.10 a.m. Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †2.30 Friday Matinee: "Top of the Form." †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 The Protectors. 7.05 Winner Takes All. 8.05 The Magician. †10.30 The Oscar Winners: Joseph Cotten and Orson Welles in "The Third Man."

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. †2.30 Friday Matinee: "Information Received." 5.20 Chuckleheads. 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Candid Camera Classics. 7.00 Mr. and Mrs. 7.30 The Magician. 8.30 The Fosters. 10.30 Festival '76. 11.25 Madigan.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.50 Sioeso Cantamil. 6.00-6.15 Y Dydd. 10.30 Outlook on Industry. 11.30 Yes—Honestly. 12.00 The Adventurer.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 2.30 Friday Matinee: "The Black Arrow." 5.20 Pipet and his Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 The Protectors. 7.00 Winner Takes All. 7.30 Combat. 8.30 The Fosters. 10.30 Ways and Means. 11.00 Late Call. 11.05 Late Night Thriller: "Cry Rape."

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 2.30 The Friday Matinee: "Ordeal" (TV movie). 5.20 Steal Wool. 5.25 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 56 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.45 Winner Takes All. 7.10 The Fosters. 7.40 Mystery Movie: McMillan and Wife. 10.30 A Southern Report. 11.05 "It Couldn't Happen to a Nicer Guy" (TV movie). 12.25 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 12.30 p.m. Out of Town. 1.20 Lunchtime News and Lookaround. 2.30 The Friday Film Matinee: "Black Arrow." 5.20 Winner Takes All. 6.00 Today At Six. 7.00 Those Wonderful TV Times. 7.30 The Six Million Dollar Man. 8.30 The Fosters. 10.30 Sportstime. 11.05 The Friday Night Film: "Eye of the Devil." 12.40 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. †2.30 Friday Matinee: "Lancer Spy." 4.18 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 7.00 Winner Takes All. 8.00 Here's Lucy. 8.30 Sportscast. 10.30 Sleepers Awake. 11.00 Friday Film: "A Hill in Korea."

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 Mystery Movie: "Banacek." 6.00 Westward Diary and Sports Desk. 7.00 Winner Takes All. 7.30 Hawaii Five-O. 8.30 The Fosters. 10.32 Westward Late News. 10.35 Late With Danton. †10.50 Late Night Film: "The Mummy," starring Boris Karloff. 12.10 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. †2.30 Friday Film Matinee: "The Glass Wall." 5.20 The Beachcombers. 6.00 Calendar. 7.00 Winner Takes All. 7.30 The Six Million Dollar Man. 8.30 The Fosters. †10.30 The Oscar Winners: "The Third Man."

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 Rosko's Round Table. 5.45 Newsbeat. 6.02 John Dunn (S) (also Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.58 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Funny You Should Ask. 7.30 Sports Desk. 7.33 Play It Again (S). 8.02 Ronnie Aldrich conducts the BBC Radio Orchestra (S). 9.02 Friday Night is Music Night (S). 10.02 Sports Desk. 10.06 Those Were The Days at the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (1,500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

†Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Elgar (S). 9.45 Beethoven Violin Sonatas (S). 10.40 BBC Concert Orchestra (S). 11.40 The Flute (S). 12.10 p.m. BBC Northern Symphony Orchestra part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert part 2 (S). 2.15 Victoria and Albert Concert, part 1 (S). 2.55 The Spirit of the Flute. 3.05 Concert, part 2 (S). 3.35 Amsterdam Concertgebouw Orchestra (S). 4.10 The Music of Franz Reizenstein (1911-1968) (S). 5.25 Pied Piper (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: Leisure and Recreation. 7.30 Music from Pebble Mill part 1 (S). 8.15 Finding A Voice (talk). 8.35 Concert, part 2 (S). 9.35 The Doctrine of Journalism, by Anthony Smith. 10.25 Strauss concert, part 1 (S). 10.50 Interval Reading. 10.55 Strauss concert, part 2. 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today, including 7.25 VHF Regional News. 7.45 Thought for the Day. 8.00 News and more of Today, including 8.25 VHF Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. †10.00 News. †10.05 Checkpoint. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Scandal. †11.50 Just The Job. 12.00 News. 12.02 p.m. You and Yours. 12.27 Twenty Questions. †12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (1 from 2.00) from Birmingham, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Brain of Britain 1976. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending. 11.45 News.

For Schools (VHF only)—10.00 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 David Simmons with Rush Hour. 9.00 Susie Barnes with London Live. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 3.05 The London Gardener. 4.03 Lobby. 4.32 Tony Fish with Home Run including 5.00 and 6.00 London News Desk. 6.10 Carry On Councillor. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 Sounds Good. 10.03 Single File. 12.00-12.05 a.m. As Radio 2.

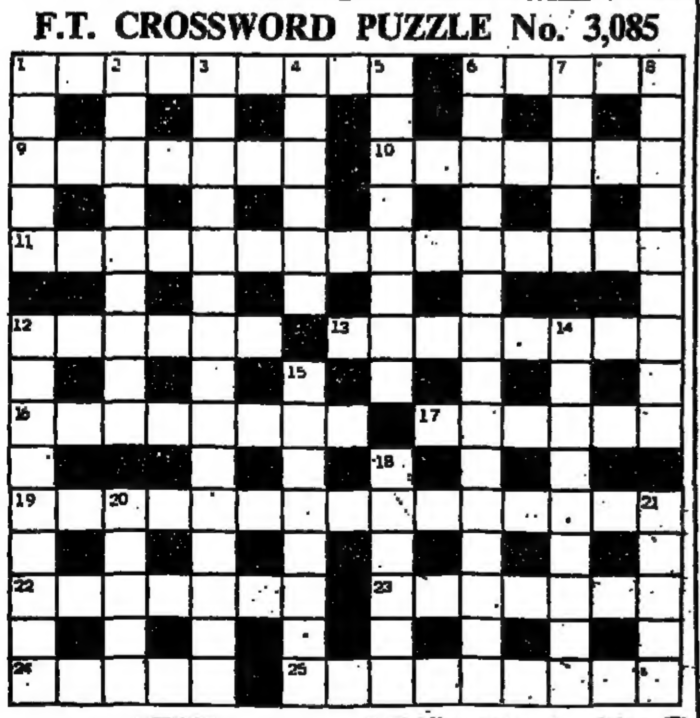
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Arena. 9.00 David Bassett. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 The Late Show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,085



ACROSS

1 One who praises or denounces bird or fish (9)
6 Incited an impulse and died (5)
9 Dry wolf returns in draught (3, 4)
10 Instruction to move slowly in grand anteroom (7)
11 Understanding the procedure as a sailor does his rigging (7, 3, 5)
12 Momentary pain created by cord round end of leg (6)
13 Beaten with a round handle and lost blood (8)
16 A French land not reduced to powder (8)
17 Steal a child going to sleep (6)
19 Advanced instruction—on a mountain? (6, 9)
22 Hasten into bed to be groomed (7)
23 Newspaper to make fun of in melody (7)
24 Go in and write it down (5)
25 The colour of immaturity and ignorance (9)

DOWN

1 Follow the train-bearer (5)
2 Removing forcibly and completely from the land (9)
3 Co-operating like oarsmen . . . (7, 8)
4 . . . to engage in pulling (6)
5 Holding out and arriving (8)
6 Duty-bound to be indebted to (5, 10)
7 Risk everything—and go to sleep? (2, 3)
8 Masqueraded and made to appear more interesting (7, 2)
12 Tangible expression of pain in board (9)
14 Length glued in to change (9)
15 Canine loser—one in adversity (8)
18 Bankrupt half left, creating hurried activity (6)
20 Note female relative is thin (5)
21 Requires necessities (5)

Solution to Puzzle No. 3,084

H	O	W	D	A	H		B	E	S	T	F	O	O	T
A		H		L				D		N		R		U
R	O	O	K	I	E		R	E	C	O	R	D	E	R
D		D		B		C		N		H		E		K
C	R	U	C	I	B	L	E		S	O	L	A	C	E
A		N		S		U		M		O		L		Y
S	U	I	T		A	S	H	A	N	T	I			
E		T		P		I		G		S		H		B
			A	L	L	U	R	E	D		D	O	R	A
O		C		U		M		N		P		T		D
S	C	H	E	M	E		A	T	T	I	C	W	I	T
T		I		B		B		A		P		A		A
L	O	N	G	A	C	R	E		S	K	A	T	E	S
E		K		G		I				T		E		T
R	E	S	T	O	R	E	D		E	N	T	R	E	E

Flying circus

by RICHARD COMBS

Malcolm McDowell and Christopher Plummer in 'Aces High'

h (A)
BC Shafesbury Avenue
Combat (A)
Warner West End 4
is Conspiracy (A)
Warner West End 1
ntertainment Part II
(U) Empire

ince he ran amok on ring fields of If . . . McDowell seems to en especially commis- put the public school rout. His puckish grin wheedling tones have taken the measure of nerable traditions and all the chinks in the mour.

t scarcely a year after seen preening in the sequence of *Royal Flash*, before the boys of his ol as the hero of the campaign while cross-cut is told the woeful, truth, he is back doing me number at the g of *Aces High*. Here elgud takes over from Hordern as the gullible ter who prattles about the game, while the director demonstrates wing Malcolm (this time pilot in the First World s his own way of sewing ame.

lifference, of course, is the Dick Lester film the ncy is supposed to be gh-funny, while here it nded to be deadly-ly-funny. Though in ses it is too painfully to raise more than a And from this inauspi- beginning, Jack Gold's adaptation of R. C. s *Journey's End* goes on ver further moralistic n the stiff and solemn a school play.

ff's simple, well-made it should be noted, has ly been propelled from bivalent security and de- *claustrophobia* of its ld dug-out, but rather rified for random scenes aracters. Over these the nercilessly doodles, lest forget that War is Hell. ime exhibit is probably Ward's extensively grat- rformance as Crawford, lividual whose nerve is disintegrating and who is to get out before it is too late by grumbling about attacks of neuralgia. The film is unwilling to let him go, however, until he has first suffered nightmare hallucinations of dog-fighting planes diving on him and then wandered beserk on *the airfield*.

Jack Gold, who on TV has certainly proved capable of tucking significance tightly into the dramatic seams of his work, appears so daunted by the extra space of the big screen that his one recourse is to write his messages large (as witness the recent, and only marginally more disastrous, *Man Friday*). Here the diagrammatic oafishness also undercuts the one possible excuse the film has for taking the action out of the trenches—the flying sequences. And for all the visual impact and excitement which these have from time to time, they finally seem flimsily staged to make a point. They certainly have no feeling for the particular experience of war in the air—the exhilaration as well as the loneliness and the terrifyingly brief life expectancy of front-line pilots. A weakness which effectively flattens out the film's irony over the *romantic image of the Flying* Corps, and its attempt to contrast the knightly aloofness of aerial combat with the bloody *slog of what was happening* below.

A few years ago, Roger Corman's *The Red Baron* dealt more successfully with the same subject in terms of metaphor rather than message: the hero's conviction that he was a warrior out of his time, and the consequent sense of eternity which seemed to him in the air to be a blissful freedom, and on the ground a terrible oblivion glimpsed through the staring eyes of a dead enemy. In this respect, *the most meaningful element of Aces High* might still be the worn-out public-schoolboy persona of its star, Malcolm *McDowell's look of a strangely* aged and soured adolescent: in his features, both the innocent adventure and the crushing toll of this particular branch of the services seem to have been firmly compressed. It is only a pity that around him the film develops as a critique of stiff-upper-lip heroism and notions of gallant sacrifice so stiff and trite in its own terms that it plays straight into those same tawdry conventions.

*

The vigilante movie has been with us for some time now. Initially taking off with the "rogue cop" cycle begun by *Clint Eastwood's Dirty Harry*, it has since branched out to tap all sorts of paranoid Right-wing fantasies with lone individuals *or outraged citizens setting out* to bring law and order back to the streets. The send-up action movie has been around even longer, but is enjoying particular favour at the moment since jaded appetites find it hard to take the old genres straight. In *the kind of computerised mixing* and matching that is continually going on in the cinema, it was inevitable that two such voguish *types should finally get together.* But in the case of *Trial by Combat* the computer has clearly seized up, for the ingredients are so poorly combined that they simply come out in lumpish doses, by turns crudely violent and desperately farcical.

The film begins well enough with a visual joke in the style of *The Avengers*. In the grounds of a mediaeval castle, a group *of knights gather for a jousting* match which comes to a sticky end for one of the participants —a rather tearful, reluctant combatant. At which point Peter Cushing emerges from the bushes, dressed in the tweeds of a country squire, and brightly inquiring if the knights are out for some early morning exercise. The latter, it turns out, are a modern incarnation of the ancient Order of Avalon, which Cushing has preserved out of his love for tradition but which his scurrilous lieutenant (Donald Pleasence) is now using to carry out a private crusade—the punishment of those criminals with whom the law is now too soft and inefficient to deal. Unfortunately, the film then proceeds as if half the cast had been told to play everything for laughs — principally John Mills, as an obliviously eccentric ex-Scotland Yard man—while the rest, namely and most painfully the hero, played by David Birney, grit their teeth and tackle the plot with a relish that suggests the fate of the Western world is again at stake.

*

The Swiss Conspiracy, on the other hand, takes its old-fashioned cross-and-double-cross adventure very straight indeed, with a multi-national cast going *very woodenly through* the motions of the multi-national intrigue. Only David Janssen, an ex-government investigator called in to find the blackmailer of five guilty holders of numbered Swiss bank accounts, brings a kind of grumbling intensity to his part, which seems incongruous in the circumstances but proves occasionally watchable.

That any of the old MGM clips chosen for *That's Entertainment Part II* prove watchable has nothing to do with the taste or discernment of the film's compilers, who seem simply to have swept together the left-overs from Part I and strung them together with a few sadly senescent new dance sequences with Fred Astaire and Gene Kelly, and an embarrassing commentary from the same.

Book Reviews are on Page 37

Royal Court

Play and other plays

by B. A. YOUNG

Not every composition has to be a symphony. The three short plays by Samuel Beckett that *make up the Royal Court's* programme are no more than preludes; they set a mood and sustain it for as long as a mood may be sustained without the introduction of fresh subject-matter. That is all, that is enough.

Play, the oldest of the three, is the most explicit. The three characters immured in urns are *discussing a simple event, the* conflict between a man, his wife and his mistress. They are discussing it, according to my idea, in Purgatory, where part of their punishment is to go on discussing it until their sins are expiated. They speak the whole text twice, identically, *as we see* them; but doubtless they have done it many times before, and will do so many times again later.

They sit in darkness in their urns, speaking only when a spotlight falls on their faces. Beckett's stage direction says *that there should be a pause* after the fall of the light, to indicate that the character who is lit has been provoked into speech by the light: but in this production by Donald MacWhinnie and in other productions I have seen, the reaction is immediate, calling for — and getting — great vocal agility from the speakers (Anna Massey, Penelope Wilton and Ronald Pickup) and from the operator of the light (Duncan M. Scott).

In *That Time* also only a face is illuminated, Patrick Magee's face, clown-white and topped with a frieze of white hair. From various points on the dark stage is recorded voice sounds calling up vaguely recollected events of his earlier life in some place, now *run* down, that once held magic for him. Mr. Magee has *one of the most beautiful voices* in the world, like the high register of a double-bass that has learned how to speak, and even apart from the poetry of the words the sensuous beauty of the *sound is remarkable. Mr. Mac*-Whinnie is the director of this play too.

Samuel Beckett himself directs *Footfalls*, a play that he wrote especially for Billie Whitelaw. It is the least immediately attractive play of the three, to my mind, though no doubt I shall grow to like it. Miss Whitelaw, who is called May—or could it be Amy?—paces slowly to and fro along a strip of stage wide *enough for seven steps each way*. She wears a ragged grey dress trailing around her feet and the sound of her footsteps is clearly heard and important to her.

From the dark upstage another voice sounds, her mother's. It seems at first that May is tending her mother in her old age: we might be revisiting *Endgame* country. But the mother suggests in a long speech that May hears her only "in her mind"; and then May seems to say that the mother is a ghost. Or is it herself who is a ghost? —so explaining why Mrs. Winter (if that is the same person as the mother) could hear the voice of Amy (if Amy is the same person as her anagram) in church when Amy wasn't there.

The information we are given *sounds as if it were specific*, yet only faint glimmers of communication are achieved. They are imparted in low, incantatory *tones, even when the words are* purely conversational. I wasn't *sufficiently* bewitched, for all the curious slow fascination of the production.

Leonard Burt

Billie Whitelaw in 'Footfalls'

Tolstoy exhibition

A Tolstoy exhibition to be mounted by the British Library *(June 3 to August 30) will con*tain material never before seen in this country, including exhibits of the writer's short stay *in London in 1861. After the* signing last year of a new cultural agreement the Soviet authorities offered Britain a loan exhibition mainly of material from the Tolstoy Museum in Moscow and of personal possessions from Tolstoy's country home. The Tretyakov Gallery in Moscow has contributed some paintings and sculptures by outstanding Russian 19th century artists.

The central feature of the exhibition will be a reconstruction of Tolstoy's study at Yasnaya Polyana, his country estate. Various aspects of his life and *work are illustrated by contem*porary photographs, paintings, sculptures and drawings, as well as some of Tolstoy's personal possessions. His literary work is represented by a number of manuscripts, including a page of *War and Peace*, and by early printed editions. Visitors to the exhibition will also be able to hear recordings of Tolstoy's voice and of a waltz he composed.

York theatre

Everyone's out of step but me

by GEORGE OPPENHEIMER

afraid I'm going to be r busy. *In* my Newsday *y of the new musical, Rex*, red to wrestle two out of *falls with any critic who* t like the show. Next day d the reviews and, with xceptions, they were bad. ver, *I stick to my crippling* especially since some of ritiques were downright

has music by Richard rs and that alone should atee it some respect. It *rics by Sheldon Harnick*, f our better lyricists, a y Sherman Yellen, direc- y Edwin Sherin (although Prince *has given a help*- and), and it stars Nicol nson as Henry VIII and Fuller doubling as Anne and her daughter Eliza- (both—no all three—).

me *it has everything* a musical should have— s' loveliest melodies since *ound of Music*. Harnick's *lyrics. Yellen's witty and* ing book *that* takes Henry his marriage to Catherine gon up to his demise and *of the loveliest costumes* ts by John Conklin.

as also a dancing number, choreographed by Dania ia, in a class with its other . The rest of the cast, Williamson and Fuller, is dinarily good, with Tom ge as Henry's jester, a Andres as Queen ine, April Shawhan as Jane Seymour (the other are made little of), Glenn as daughter Mary, Ed as Mark Smeaton, Michael John as young Prince Edward, Stephen D. Newman as the French King, Merwin Goldsmith as an astrologer and a *score of others including a first*-rate singing and dancing chorus.

Scene after scene has not only colour and spectacle but drama *and comedy that hold you until* the final scene when the young Elizabeth tries to reassure her brother Edward that he need not fear the throne on which he is about to sit after Henry's death. In order to comfort him, she sits on the throne herself and the play ends with this omen of the future when Elizabeth assumed the throne in her own right.

Although the songs are not particularly in period, any more than they were in *The King and I*, they are melodious in the best *Rodgers manner* and hummable, a virtue that has been notably absent from most of our contemporary musicals by other com*posers. Harnick's lyrics* are simple but they progress the action as good lyrics should.

I particularly liked "Away *From You*," "*In Time*," "*No* Song More Pleasing," "Christmas at Hampton Court," accompanied by an enchanting masque, and *several others*. Among other divertissements there is a highly comical wrestling match between the French King and Henry to decide an issue that might well result in war, an excellent solution to be noted by all future statesmen.

I cannot imagine why some of our more important critics have been so inhospitable to *Rex*. My only theory is that they no longer care for elegance, style and regal manners. We have been too accustomed to the kitchen-sink mentality, the rock scores, the permissiveness and the way-out nature of our recent musicals. For me *Rex* is magic.

Hard on the heels of the lovely *Rex* came *So Long, 174th Street*, another musical. It is an adaptation of "Enter Laughing" *(an infinitely better title)*, a play by Joseph Stein which, in turn, was an adaptation of a novel by Carl Reiner.

Stein has adapted his own play which, by the way, was extremely comical and somehow faltered in the process. The music and lyrics by Stan Daniels are no better (if not worse), the direction by Burt Shevelove is way below his usual standard and only Robert Morse as the lead saves the show from total disaster. He plays a kind of Walter Mitty character, a delivery boy in the Bronx who dreams of becoming a Broadway star. In the beginning a dream *or two is quite amusing*, but the play coasts downhill rapidly.

Frederick Brisson has given *So Long* as tacky a production as *I have seen in quite some time*, trying to evoke the Thirties, the period in which the play is laid *(and remains recumbent)*, with no success whatever.

Morse manages to overcome many of the *scores of flaws*, but is not helped much by his cast with the notable exception of George S. Irving, who plays comically and well a fly-by-night proprietor of a theatrical company that does not charge admission but collects practically nothing from its sparse spectators. Actually Morse has to pay them to act. He finally becomes a druggist to the relief of all.

Coliseum

Initials RBME

by CLEMENT CRISP

"A secret band of kindred spirits"—this quotation from Robert Schumann forms a note to John Cranko's choreographic portrait of his kindred spirits who bear the initials RBME. With the horn call that starts the second Brahms piano con*certo we see them on stage*: Richard, Birgit, Marcia and Egon —the central figures of *Initials RBME* which featured in last night's Stuttgart triple *bill*.

The ballet is Cranko's tribute to these artists whom he loved, whose careers he shaped and brought to their present magnificent flowering, and with the entry of the piano Richard Cragun launches heroically into the first section. Each movement centres upon one of the quartet. For Mr. Cragun the dance is bold, massive in outline and dynamics, and glorious in exposition. Here is a premier danseur of wonderful gifts, *exultant in prowess, honest* and unaffected in presence, and calmly, marvellously assured in technique. For Birgit Keil the *scherzo evokes her elegance, her* serene line, and the lovely openness *of* her style.

Next Marcia Haydee, Cranko's *muse*, presented *to us in a pas* de deux with Heinz Clauss that is, for me, the most beautiful duet Cranko ever wrote. Much *of the choreography finds her* airborne, and there is a quality both elegiac and intensely womanly as she turns and floats *in Clauss's arms. And finally* a darting sequence of entries which embody both the brilliance and the romanticism of Egon Madsen—or so it should have done last night, were it not for an injury to his Achilles tendon.

In the event it was Carl Morrow who danced this last movement, with splendid bravura. In supporting roles the Stuttgart artists showed just how skilled they are—there were exceptionally interesting performances by Joyce Cuoco, Lucia Isenring and Melinda Witham, and also some soaring leaps by *a young man whom I am unable* to name, but whose dancing I shall not willingly forget in the work's finale. No less pleasing *the orchestral playing under* Stewart Kershaw; and very fine Roland Keller's account of the piano part—I have heard far less distinguished performances in the concert hall.

The presence of Cranko and his band of kindred spirits was also to be felt in Glen Tetley's *Voluntaries* (using the Poulenc organ concerto) which began the evening. This is Tetley's tribute to Cranko, a work which seems to speak of grief, consolation and hope, and one superbly *danced* by Marcia Haydee, Richard Cragun, Birgit Keil, Vladimir Klos and the corps de ballet.

In the centre of this triple bill, Cranko's *Poème de l'extase*. Originally made as a vehicle for Dame Margot Fonteyn, this is an *exercise in Klimtian* patterns and memories: in which a diva recalls former loves and decides to reject a new young admirer—*like Colette's Léa*, the time has come to call a halt. Marcia Haydee dreams beautifully of past passion, and not even Egon Madsen's ardour can persuade her to a fresh adventure as great swatches of silk beat across the stage, and Skryabin's heady score engulfs the action.

It is the most frightful kitch, but magnificently designed by Jurgen Rose, and it believes in itself: we can but do the same.

Ghosts and graven images

by DEBORAH PICKERING

and Lombard by Warren Harris, Cassell, £3.95. 180 s
y by Cagney by James ney. New English Library, 5. 202 pages
Times We Had: Life with liam Randolph Hearst by ion Davies, Angus and ertson, £4.50. 265 pages
airbanks Album by Douglas banks Jr. and Richard ickel. Secker and Warburg, 6. 270 pages

Marilyn Monroe kill Clark ? What really happened n Harlow's wedding night? Marion Davies have ever ed stardom without the aid illiam Randolph Hearst? and more questions can be answered out of recent *cations from that American* eon, Hollywood.

sustaining magic of the nmenon that was Hollywood *its total dedication to the* ation of trivia. Like stal- English nannies, the "publi- tended the talents, morals spirations of the discovered These publicists, whipped tlessly by that arch-despot, B. Mayer, created, cajoled, led and sometimes cor- d their million-dollar s.

st Hollywood biographies, onal stories," handed-down ds, are apocryphal and incestuous; the anecdotes are often interchangeable.

Douglas Fairbanks and Mary Pickford were considered movie royalty with the "perfect marriage"; Gable and Lombard the "*perfect pair*"; Marion Davies (no Welsh progenitors — she changed her name in true Hollywood tradition) with her para*mour, William Randolph Hearst*, created the most respectable scandal.

The tinsel thread runs through *this spate of memorials of the* Hollywood pre-war scene. Nostalgia is in and eulogy the order of the day.

The Gable and Lombard story is the most emotive. She, a well-bred, foul-mouthed prankster, marvellous comedienne and fatal magnet to the windjammer-eared, small-town boy who became "king" of Hollywood. *Their story* is the zenith of movie-world romances, curtailed by her tragic death in an aeroplane crash following her contribution *to the* U.S. war effort — then Gable's left-over-life-to-live with etiolated, surrogate Lombards.

James Cagney did not believe he was anything but a *regular*, tough, Irish guy . . . he chose acting, but not stardom, and emerges as one of the nicest "fellahs" (his word) from the whole bombastic bunch. His *Cagney by Cagney*, incorporating a number of hackneyed Hollywood legends, is a weak riposte to "unauthorised" biographies.

Marion Davies starts her story: "I was born in 1905 . . .*" the cruel asterisk, inserted by the joint editors, states that she was born in 1897. Marion's account is a name-dropping extravaganza underlined by her honest insistence that she was nowhere near an "actress." Written like a diary scribbled by a schoolgirl *who had failed O-level English* it glitters with the names of the rich and celebrated but irritatingly conceals her attrac*tion to the man she always* called "W.R."

The director Walter Wanger emerges as the most literate observer of *the Hollywood zoo*. He relates the Fairbanks/Pickford obsession with social status when they invited to their mansion, Pickfair, the "Princess Vera Romanoff" for whom they sent a car. The "princess" arrived to spend a wonderful week-end chez the Fairbanks — she was actually a little secretary from San Francisco who *returned home on Monday morn*ing having thanked them very much.

Hollywood was overtly sexual. *Yet, brutalised by their studio* chiefs into non-stop money-making, it is astonishing how little time the movie stars *actually had for their romances.*

High on beauty and possibly good-natured humour, certainly on stamina, the stars put that Californian corner on the international map.

King's Head, Islington

The Sound of Mime

by JEREMY KINGSTON

Last week I suggested that lunchtime theatre was a dying social custom and ever since have been reminded that for a dying custom its adherents continue remarkably alert. Latest example is the performance by this mime duo of 12 short sketches, a few with musical accompaniment but most of them silent, in the modern tradition.

The old tradition of mime was to comment, usually merrily, on life's amazing tapestry, paying particular attention to the seamy and adulterous threads. Modern custom has largely turned from this, introducing the romantic pathos of the individual pitting himself against the mass. And generally losing.

Desmond Jones and Wayne Pritchett include *only one item* somewhat in this style. Expressions of fear, tension and time-filling lip movements are shown *passing across the face of a con*demned prisoner whose expressions are concealed from the executioner beneath his hood.

Desmond Jones projects a melancholy, fastidious personality. It is to him that the more distressing events occur, such as, in *Stone*, a remarkable image of gradual death when first his feet and then his legs petrify, then waist and arms. One finger moves, giving hope of recovery, but soon all but his eyes are rigid and next they, too, are fixed. A simple idea, scarcely longer than two minutes, but impressively achieved.

Wayne Pritchett is the *cockier* half, at ease and at peace with the world, a natural for such roles as thoughtless executioner *and fisherman—Mr. Jones giving* another display of silent panic and pain as the struggling fish.

Most of the sketches fill out *the details* on these two basic character lines. Their miming of drinking, sweeping, eating, cycling is as expert as one could wish but a notable *feature* of their performances is the extreme slowness at which they can operate. This is seen at its most ingenious in *Comedy and Tragedy* where one of them is caught in comic mid-caper and *the other frozen in tragic atten*tion. Infinitely gradually the comic's mouth closes, the arms slope down, the body freezes in attention. *As slowly* the tragedian's grimace opens, the tense arms spread out until, without any certainty that one has witnessed *a single movement*, the two postures are reversed.

WORLD TRADE NEWS

European Court rejects Dutch drug import rule

BY DAVID CURRY

LUXEMBOURG, May 20.

DUTCH legislation which restricted the import of drugs to importers approved by pharmaceuticals manufacturers has been declared contrary to the free trade rules of the EEC by the European Court of Justice in Luxembourg.

The ruling, which effectively invalidates rules introduced by the Dutch Government following Hoffman La Roche submissions to it, will enable the Dutch company Centrafarm to continue to import valium in competition with the regular Hoffman La Roche importer and undercut him in the wholesale market.

The judgement strikes a further blow against maintenance *of quantitative restraints* on trade within the EEC and in particular circumscribes the extent to which the derogations from free trade rules allowed in Article 36 can be invoked.

The story began as a fight over the right of Centrafarm to import Winthrop-Sterling drugs from the American concern's British company into Holland where it undercut the prices of the Winthrop-Sterling Dutch operation. In both countries the products were protected by trade-marks.

The Dutch authorities prosecuted for breach of trade-mark regulations and the question was remitted to Luxembourg. Centrafarm managing director, Mr. Adriaan de Peijper claimed that it was illegal under the Treaty of Rome to prevent goods moving from country to country if the product was protected in both countries.

Shortly before judgement was given in his favour after the Advocat-General had come down heavily in support of Centrafarm, Hoffman-La Roche approached the Dutch government seeking rules to insist that importers, not merely health authorities, should have to produce certificates testifying to the goods' specifications before they could import.

The Dutch tightened up their regulations to this effect but Centrafarm continued to import *valium* without certificates. When Mr. de Peijper was prosecuted he claimed that the demand for certificates ran counter to the free trade provisions of Article 30 and did not qualify *for the derogation* embodied in Article 36.

To-day the Court of Justice ruled decisively in favour of Mr. de Peijper. It stated: "A national rule or practice which tends to channel imports so that only certain concerns can handle them while others are excluded constitutes a measure equivalent to a quantitative restriction in the sense of Article 30."

The ruling makes the Dutch regulations a dead letter and clears the way for Mr. de Peijper to continue to import drugs to undercut official importers, a practice about which the manufacturers can do nothing provided the drug is protected by trade marks.

BSC wins Mexico Steel contract

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE BRITISH Steel Corporation is to benefit from the £1bn. expansion by the State-controlled Mexican steel concern, Sicartsa, of its Las Truchas plant.

A memorandum of understanding has been signed whereby the BSC is to supply technical and operational advisory services for stage two of the Sicartsa plant on the Pacific coast of Mexico.

It represents a very substantial *extension of the contract for similar* services for stage one which the corporation won in 1972 against world-wide competition.

It is, however, difficult to judge just how much cash will be earned by the BSC as the payment will be based on man hours worked over the six-year period of the contract. Around 400 BSC *personnel will be involved.*

The corporation's services to Sicartsa will be financed with the help of the ECGD-backed line of credit arranged by Lazard Brothers and signed on Tuesday.

Stage one of Sicartsa, with a capacity of 1.3m. tonnes a year, is being completed on schedule and will go into operation within the next few months. Stage two will increase annual capacity to 3.65m. tonnes.

The new deal with the Mexican group *is the BSC's second major* success within a week. At the week-end it revealed it had won an £8m. contract to evaluate the potential of a 350m. tonne iron ore deposit in Saudi Arabia.

New Brazil locomotive plant

BY OUR OWN CORRESPONDENT

SAO PAULO, May 20.

INDUSTRIA VILLARES, Brazil's largest industrial equipment manufacturer, intends to set up a large electric and diesel-electric locomotives factory in the State of São Paulo. It recently signed contracts with the British GEC Traction and with the U.S. General Motors to receive technical assistance in this project.

Villares said that, taking advantage of its present installed capacity to produce many of the parts, it will be able to set up the new factory very quickly. It plans to produce some 90 locomotives each year during the initial stage, to be purchased by the Brazilian Government. Villares is still waiting for the final decision from the Ministry *of Transport*, which is also examining other proposals. Although the official verdict will only be known at the end of June, it is widely believed here that the Villares project will be approved.

A spokesman from Villares explained the advantages of their project. It is totally Brazilian, whereas the other proposals are for joint ventures with foreign companies. Villares is to receive technical assistance from two of the world's leading companies in this field. The locomotives will require very few imported parts. And, perhaps most important of all, with GEC's assistance, Villares will be able to carry out all maintenance and repair jobs, which is a condition for winning the contract. Some of the loco*motives to be manufactured will* be identical to ones already in use in Brazil, which were imported from GEC.

Five other projects have been submitted to the Brazilian *government. They consist of* proposals for joint ventures between local companies and the Swiss Brown Boveri, the Canadian Alco, the French MTE (Materiel de Traction Elec*trique), the WCA German Krupp* and the Japanese Toshiba and Mitsui. It is thought that, besides the Villares project, one of these proposals will also be approved.

Sr. Paulo Villares, president of the company, was recently in London on the occasion of *President Geisel's visit. At the* time, RFF (Rede Ferroviaria Federal), the federal railway company, announced that $400m. had been raised in London. Half of this will take the form of *export credits for the purchase* of electrical equipment from a consortium of British companies headed by GEC, while the rest is a loan for investments in Brazil. It is believed in business *circles here that the Villares* locomotive project may well have also formed part of these negotiations.

Marsh in Venezuela bid

BY ARTHUR SMITH

NEW MOVES to boost Britain's share of world exports of railway equipment, currently running at more than £4bn. a year, were announced yesterday.

Sir Richard Marsh, the retiring chairman of British Rail, will next month head a delegation seeking a multi-million pound railway construction contract in Venezuela.

Avrail, the public and private consortium of railway companies in which the National Enterprise Board has a 35 per cent. stake, wants to tender for the contract to build and run a 430 mile new eastern section of the Venezuelan *National Railway.*

Meanwhile, Mr. K. V. Smith, managing director of Transmark, British Rail's consultancy service, will be seeking new business in Saudi Arabia. He will be acting for the recently formed British Railway Industry Export Group whose task it is to spot export opportunities and ensure that home-based companies rise to the challenge.

Moscow talks on rupee

By K. K. Sharma

NEW DELHI, May 20.

OFFICIAL talks at senior level are to be held in Moscow early in June on the method of arriving at the exchange rate between the rouble and the Indian rupee. The *hope is this complex issue will be* resolved before Mrs. Indira Gandhi arrives there on June 8.

The issue has remained unresolved since lengthy talks in April, 1975 broke down in New Delhi. The matter is of considerable importance because the Russians then insisted on applying the exchange rate as worked out by them on outstanding credits.

This would mean India would have to pay around an estimated Rs4bn. (about £250m.) as the rouble stood revalued by around 39 per cent. in April last year.

This was because the rupee was then linked to the fast depreciating pound sterling.

The issue should now be easier to settle because the rupee's link with sterling has since been snapped and its exchange rate is worked out in relation to a "basket of currencies" with which India has substantial trade relations. An agreed exchange rate is important for India, not only because of outstanding credits, but because a five year trade agreement has just been signed with Russia which hopes to double the Indo-Soviet trade turnover by 1980.

Exports to Korea up 96%

BY KEVIN RAFFERTY

THE U.K.'s exports to South Korea in the first four months of 1976 rose by 96 per cent.; imports from South Korea increased by 56 per cent. in the same period.

These facts were given yesterday at a London seminar to mark the visit of Mr. Nam Duck-Woo, Korea's Deputy Prime Minister, who has special responsibilities for finance and trade. Mr. Nam is on a three-week tour of Europe and the Middle East to point out the opportunities of greater trade with South Korea.

British Ministers, including Mr. Edmund Dell, the Secretary for Trade and Industry, in their meetings with Mr. Nam pointed out the price competitiveness of British exports and urged Korea *to look to the U.K. for more* than potential foreign investors in South Korea.

The U.K. has a trade deficit with South Korea. In 1975 exports from the U.K. totalled £52.6m. against imports of £74.5m. The main item in British exports is machine tools.

Many of the bankers and industrialists at the seminar spoke hopefully of the prospects of the South Korean economy and compared the country to Japan of 15 years ago. Mr. Nam himself said that the country's Fourth Plan envisaged intensive developments in "power generation, steel making, communication and transportation equipment, electronics, machinery and chemicals—fields in which the U.K. has pre-eminent expertise." But Korea has not so far approached Britain for a nuclear co-operation deal.

Mr. Dell pointed out that South Korea was having to cope *with the problems of a reduced* rate of economic growth—now down to a mere 8 per cent. a year.

Austrian imports rise sharply

BY PAUL LENDVAI

VIENNA, May 20.

AUSTRIA'S visible trade deficit during the first quarter of this year jumped from Sch.8.2bn. (about £240m.) during the same period last year to Sch.12.9bn. Exports were up by 7.8 per cent. to Sch.37.6bn. But the import bill rose even more rapidly by 17.3 per cent. to Sch.50.5bn. The unexpectedly large deficit was primarily due to what is regarded here as the first phase of a new economic upswing.

The balance of payments statistics for the first quarter show that surplus from tourism rose from Sch.5.7bn. to Sch.6.4bn. during the recorded period with receipts rising by 8.8 per cent. and expenditures by Austrians abroad only by 3.4 per cent.

Pru plan to expand to Dubai

FINANCIAL TIMES REPORTER

THE Prudential Assurance plans to extend its general overseas business to the Middle East.

The intention of the company is to establish a base for transacting insurance business in the United Arab Emirates by participating in the equity of the Union Insurance of Dubai. This company was established two years ago by local interests in association with Maynard Reeve and Wallace, the U.K. based international reinsurance brokers. Union is increasing its equity capital to enable the Pru to participate and it is envisaged that ultimately Pru will hold about 25 per cent. of the enlarged capital.

The overseas general business of the Pru has been growing rapidly in the past few years and in 1975 accounted for over 60 per cent. of all non-life business. But while it was on the Arab boycott list it could not operate in the Middle East. Since its removal from that list six months ago it has been looking at the Middle East, and is considering opportunities in Saudi Arabia and Oman as well.

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W. Germans in Polish copper deal

A CONSORTIUM under Metall gesellschaft AG of Frankfurt is said to be near agreement with the Polish Foreign Trade Ministry on a copper deal that has been under negotiation for some time, Leslie Colitt writes from Berlin.

An announcement is expected shortly according to a company source. The project reportedly involves Polish deliveries of up to 40,000 tonnes of raw copper annually to West Germany in return for a commercial credit in the region of DM250m. ($100m.). The credits would be used by Poland to exploit its copper reserves *in the Lublin Basin* in eastern Poland, believed to be the largest in Europe. The entire deal could be worth up to DM1bn. depending on how long it runs.

West German companies are also reported to be near agreement with Poland on a coal gasification project in that country under which the West Germans would provide technology and sell the chemical derivatives. The credits involved could run as high as DM1bn.

Vehicle output up

West German vehicle production on an average working day has reached a 1976 high of 16,... units last month, rising 5 per cent. over March and 19 per cent. on April, 1975, the motor industry association said, Reuter reports from Frankfurt. Output for the first four months of 1976 was still 7 per cent. down on the record 1973 first four-month figure.

Dell for U.S. talks

Mr. Edmund Dell, Secretary of *State for Trade, will be on board* British Airways's inaugural Concorde flight to Washington on Monday and will have talks with members of the U.S. administration and Congressional leaders, writes Lorne Barling. Mr. Dell is expected to have talks with Mr. William Simon, Secretary of the Treasury, and Mr. Frederick Dent, the President's special trade representative. Whitehall sources indicated that discussions would cover *the world industrial* recovery and the need to resist pressures towards protectionism.

£80m. ECGD credit for Hong Kong transit

The Export Credits Guarantee Department has guaranteed a £80m. line of credit which Kleinwort Benson, on behalf of a consortium of London clearing and Scottish banks, has arranged with the Mass Transit Railway Corporation of Hong Kong. The loan will help finance capital goods contracts placed in the U.K. for the 15.6-km. section of railway *line from Chai Wan Central* Hong Kong island to Kwun Tong, an industrial township in North East Kowloon.

Japan car record

Japanese car production totalled a record 683,257 units in April, up 3.7 per cent. from March and up 18.9 per cent. from a year earlier, the Japan Automobile Manufacturers Association said yesterday, AP-DJ reports from Tokyo. Officials attributed the higher output to brisk exports.

Romania steel

A protocol has been signed in London by Mr. Nicolae Agachi, the Romanian Minister of the Metallurgical Industry, and the British Metalworking Plant Makers' Association, for co-*operation in the supply of equip*ment for steel plants in Romania, Lorne Barling writes.

Car ship order

Wallenius Lines, the Swedish shipping company, has placed an order with Japan's Hitachi Shipbuilding and Engineering Company for two car carrying vessels, each capable of shipping 5,... average sized cars, John Wy... writes. The

Soviet atom plant

Japanese makers of nuclear power plant equipment are to submit estimates to the Soviet Union shortly in connection with an atomic power plant project, the Japan Atomic Energy Industrial Forum said yesterday, Reuter reports from Tokyo. Industry sources estimated that it would amount to nearly Yen 200... (about $667m.).

Asean may boycott

Members of the Association of South-East Asian Nations (Asean) may boycott the forthcoming Paris conference on economic co-operation if their call for a common fund to finance a commodity buffer stock goes un-heeded at the current Unctad conference in Nairobi, AP-DJ reports from Kuala Lumpur.

World stores

A 1,086 page guide for British consumer goods exporters has been published by Newman Books of London. Called Stores of the World*, it lists over 9,... major department stores and multiple groups in 119 countries and in many cases includes names of trade buyers of main *lines of merchandise and gives* full details of buying agents in Europe and the U.S.

* Newman Books, 48 Poland Street, London W1V 4PP, £2...

AMERICAN NEWS

Lockheed seeks U.S. help to salvage Orion deal

BY VICTOR MACKIE OTTAWA, May 20.

[LO]CKHEED Aircraft Corporation [made] a last desperate effort to [sal]vage something out of the col[lap]sed deal with the Canadian [Go]vernment for the purchase of [Ori]on long-range patrol aircraft [by] appealing to the U.S. Govern[me]nt for help.

[D]efence Minister James [Ri]chardson met with senior [offi]cers of the corporation to-day prior to the regular Cabinet meeting. Earlier he said he had been advised by Lockheed that it was going to try to work out a new solution to its financial problem that blocked the Canadian Government contract.

"*We are open to another proposal from Lockheed if they wish to come back. We do not rule out finding some other deal with* them," Mr. Richardson said. He added that the Government had now abandoned its plans to complete "the specific purchase contract with Lockheed."

Lockheed is reported to require $170m. in the next 10 *months for its start-up programme* to build the 18 Orions for Canada. This would enable the aircraft company to begin.

In the Commons, Mr. Richardson was faced with demands for his resignation from an angry opposition.

The opposition attacked Mr. Richardson describing his and the Cabinet's handling of the *Lockheed negotiations* as "bumbling, inept, naive, deceitful, incompetent and misleading."

Military needs come last

BY A SPECIAL CORRESPONDENT

[CA]NADA'S DECISION to cancel [its] order for 18 Lockheed P-3 [Ori]on long-range patrol aircraft [ha]s wiped out, in one blow, five-[six]ths of the modest rearmament [pro]gramme decided on last year. The decision to cancel, though [it] took four Cabinet meetings [wit]hin two days, and the personal [int]ervention of Prime Minister [Tru]deau to reverse an earlier [dec]*ision reached in his absence*, [see]ms to be based almost solely [on] financial grounds. There had [bee]n much criticism of Ottawa [fro]m within Canada for putting [so] much defence money into this [one] project, and for dealing with [the] scandal-wracked Lockheed [com]pany at all. But the key [fac]tor was that Lockheed was [sim]ply unable to borrow the [$17]5m. to finance the first three [yea]rs of the $1bn. deal (with the [Ca]nadian Government paying the [int]erest) as had previously been [ag]reed. With Mr. Trudeau's [Go]vernment in the midst of a [pro]gramme of severe spending [res]traint, the Canadian Cabinet [ref]used to find the money from [its] own resources, and so Canada [dro]pped the whole order.

What gives the incident its [dis]tinctively Canadian flavour is [th]e extraordinary arbitrariness [of] the defence decision-making [pr]ocess, which is only loosely [lin]*ked to military realities*. Few [co]untries, having decided to [em]bark on a five-year, $1.2bn. [re]-equipment programme after a decade in which they have had practically no new weaponry, would chose to spend almost all of it on 18 anti-submarine aircraft.

Defence policy in Canada appears to have been shaped almost exclusively by political and sentimental considerations, in what amounts to a military vacuum. The conventional approach to Canada's strategic situation is that of the "free ride": the U.S. must defend Canada from anyone else, in its own interests, and there is no military sense in trying to construct a defence against that huge neighbour (nor, except in the view of a tiny minority, any political reason to want to do so).

> 'Defence policy in Canada appears to have been shaped almost exclusively by political and sentimental considerations.'

Accordingly, the Canadian could theoretically do without armed forces beyond those adequate to police its own frontiers.

In the early 1950s, Canadians were among Nato's most devoted supporters and willingly paid out 9 per cent. of GNP on defence. As the perceived danger of war has steadily diminished, however, so has Canadian enthusiasm for defence. By the late 1960s defence expenditure had dropped below 2 per cent. of GNP, and almost every penny was eaten up by personnel costs. This did not much affect Canada's forces in their peace keeping roles, but in the higher-technology Nato and Norad contexts Canadian soldiers became extremely embarrassed as their equipment grew ever more obsolete. It didn't embarrass the Canadian Government, however, so long as their forces still bought them a voice in the various alliances and organisations they contributed to.

The turn-round in declining Canadian defence expenditure came last year, because a more efficient Canadian contribution to Nato had become a prerequisite for the success of Canadian foreign policy.

It has long been a cherished desire of Mr. Trudeau to counterbalance the inevitable southward pull of the U.S. by creating a close Canadian link with the EEC. When he toured Western European capitals last year touting the proposal, however, it was strongly hinted to him that he should first demonstrate his enthusiasm for Nato a little more convincingly.

Accordingly, the Canadian Government decided on a modest re-equipment programme: nothing grand, but $200m. to replace its tanks (German-built Leopards are favoured candidates for the 128-tank purchase), and the bulk to buy new long-range anti-submarine aircraft.

The Orions were, therefore, a way of killing several birds with one stone. They were a very expensive stone, however, and could be cancelled without particularly grave consequences when the deal became unattractive. The Government has said that it is searching for a replacement, but defence officials have already admitted that there are no satisfactory rivals available.

The eventual outcome may be the purchase (before 1980) of cheaper maritime patrol aircraft with adequate coastal surveillance ability, though less anti-submarine capability, and perhaps the diversion of some of the remaining money into a modest rearmament programme in some other area. All Canadian defence decisions are political gestures, and that, together with new tanks, should prove satisfactory enough to Canada's Nato allies in Europe.

Canada announces new energy strategy

OTTAWA, May 20.

[TH]E CANADIAN Federal [Go]vernment unveiled a new [en]ergy strategy to-day which [gi]ves strong powers to the state-[ow]ned Petro-Canada and pro[vi]des incentives to other oil com[pa]nies to explore and develop [C]anada's frontier oil and gas [r]eserves.

Energy Minister Alastair Gillespie announced changes to oil and gas land regulations in the second major step by the Government to achieve energy self-reliance by 1985.

Mr. Gillespie had announced on Tuesday a 22 per cent. increase (in two steps) this year in the domestic price of crude oil and natural gas. Natural gas export prices are also expected to be raised this year.

He said his priorities are to double exploration and development of energy resources within the next three years, increase the flow of resource information and achieve greater Canadian *content and participation* in resource development.

Under the new regulations, which will not take effect until next year, preferential treatment will be given to Petro-Canada. The 21-year lease on acreage for exploration and development will be replaced with a five-year renewable lease.

UPI

K. K. Sharma writes from New Delhi: India to-day expressed regret and disappointment over Canada's decision to make permanent its suspension of nuclear co-operation between the two countries. In a statement to Parliament the External Affairs Minister, Y. B. Chavan said that there was no ground for any suggestion that the Indian Government "is in any way responsible for ending Indo-Canadian nuclear co-operation."

Cash crisis threatens Philadelphia

By David Bell

WASHINGTON, May 20.

PHILADELPHIA, America's fourth largest city and the centrepiece of this year's bicentennial celebrations is now suffering from its own version of the financial problems that have plagued New York.

The problems are compounded by the bitter political opposition to Mayor Frank Rizzo, the colourful police chief who won re-election earlier this year claiming all the while that the city's finances were in good shape and that no new taxes would be needed.

The current crisis has been building up for some time and is serious enough even if it is relatively small scale in comparison with New York. The city has a budget deficit this year and expects another next year, it is about to close its largest and most sorely needed public hospital, it has a school system that is practically insolvent and a bus and subway network which needs $13m. in the next ten days if it is not to shut down.

Bid to bring bussing before courts again

By Our Own Correspondent

WASHINGTON, May 20.

PRESIDENT Ford is to meet the U.S. Attorney General tomorrow to discuss a possible Government attempt to persuade the courts to reconsider the question of forced school bussing, which is threatening once again to become a major issue in the election campaign.

Mr. Ron Nessen, the President's Press Secretary, described as a "bum rap" suggestions that Mr. Ford's intervention might have something to do with next Tuesday's primary in Kentucky, where Mr. Ford is being challenged by Mr. Ronald Reagan. Court ordered bussing (the process of taking pupils across cities to achieve racial balance in schools) is being strongly resisted by white parents in Louisville, Kentucky, and Mr. Ford hinted to a group of reporters from the state to-day that the Louisville case might be an apt one for the courts to reconsider.

Senate votes against B-1

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, May 20.

THE SENATE voted this evening not to allow any Federal spending to build prototype B-1 bombers until February of next year at the earliest.

The vote is likely to be a matter of great irritation to President *Ford, especially since implicit* in the Senate action is the hope that by next February there will be a Democrat in the White House who will look again at the whole B-1 programme.

The budget for the next fiscal year advanced by the Administration contains more than $1bn. in funds for the B-1. The Senate ban would only affect actual production, whereas research and development expenditure would continue.

The Senate action may yet be overturned. The House has already passed the Military Procurement Bill without any amendment concerning the B-1, such as passed the upper chamber to-day. It will therefore be up to the conference committee of both bodies to iron out differences in the two pieces of legislation

GNP growth figures are revised upwards

BY OUR OWN CORRESPONDENT WASHINGTON, May 20.

REVISED administration figures published this morning show that the American Gross National Product (GNP) grew in real terms in the first quarter even more than past estimates had suggested.

The Commerce Department reported that real GNP rose at an annual rate of 8.5 per cent. in the first three months, a full percentage point higher than the first statistics issued last month had indicated. The inflation component as measured by the GNP deflator amounted to 3.5 per cent. per annum compared with the original estimate of 3.7 per cent.

The increase in real growth reflected not only the lower rate of inflation but even greater consumer spending and a higher rate of business investment in plant and capital equipment.

There is, of course, some doubt as to whether the first quarter rate of growth can be sustained for the full year, especially now that that improvement has been shown to be greater than originally imagined.

The weight of evidence from various sectors of the economy remains mixed. Earlier this week, for example, the administration reported that the housing market remained extremely sluggish. On the other hand, the latest statistics on personal income for April revealed a strong 0.9 per cent. monthly rise, even higher than the 0.8 per cent. increase of March.

Ford bids for delegates

BY OUR OWN CORRESPONDENT WASHINGTON, May 20.

AN ATTEMPT will be made next Monday to persuade the bulk of the 154-strong Republican Party delegation from New York state to commit itself to the President Ford campaign. Technically, the New York delegation, effectively controlled by Vice-President Rockefeller, is uncommitted. Three of its number were elected pledged to Governor Reagan in the April 6 primary and 15 defected last week to the Reagan side.

The majority of the remainder had been thought to favour President Ford. However, no formal declaration of support has until now been asked for or offered, not least because Mr. Rockefeller himself has been playing his own political cards very close to his chest as the Ford-Reagan battle has raged.

The New York appeal, however, underlines how important uncommitted delegates are to the principal candidates of both parties. On the Republican side it is highly unlikely that either Mr. Ford or Mr. Reagan can win enough delegates in the remaining primaries or caucuses off their own bat to give them the 1,130 needed to win the nomination.

According to the Washington Star, Mr. Reagan currently leads Mr. Ford with 498 to 463, with 381 uncommitted. This calculation is based on some incomplete caucus processes where assumptions have been made about the probable outcome. Other calculations tend to give Mr. Reagan a wider lead, with rather fewer uncommitted delegates, though the proportions do not differ wildly.

Row looms over oil companies reform Bill

By Our Own Correspondent

WASHINGTON, May 20.

HEARINGS on a controversial Bill which would break up the 18 largest oil companies in the United States were postponed today for two weeks to give the Ford administration more time to marshal senior witnesses to oppose it.

The Bill is now being considered by the Senate Judiciary Committee and, if passed, would *set up a five-year timetable* during which the major companies would be split up into independent units that would either produce oil, or refine it and sell it or transport it, but could only perform one of these functions. At present integrated oil companies do all three. BP-Sohio and Shell Oil are among the companies affected.

Another Bill, which would force oil companies to divest themselves of their interests in other energy sources except natural gas, is currently before the Anti-Trust Committee of the Senate Judiciary Committee.

To-morrow's hearings, which were specifically requested by the Administration, will now take place on June 3 and June 8, when a number of highly-placed officials will testify.

Among them are the chairman of the Securities and Exchange Commission, the administrator of the Federal Energy Administration, the Deputy Secretaries of the State and Commerce Departments and the Treasury Secretary. All are expected to attack the Bill and urge that it be dropped.

The Administration's decision to mount such a high level campaign against the Bill follows increasing interest among Democrats in the idea of breaking up the companies. Republican Morris Udall, the liberal standard-bearer in the primaries, has been successfully making a major issue of what he calls the "overwhelming" power of the companies and many witness testifying this week before the Democratic National Policy Committee echoed his views.

The Bill, sponsored by Sen. Philip Hart and Sen. Birch Bayh, is also being fiercely opposed by the oil companies, not so much because they or anyone else expect it to be passed this time but because of the threat that Bills like it could pose to them in the future. If a Democrat is elected President in November they could come under intense scrutiny—although Mr. Jimmy Carter, the current front runner, is not in favour of breaking them up "except as a last resort."

EUROPEAN NEWS

Soviet's Berlin attitudes causing concern at Nato

BY MALCOLM RUTHERFORD OSLO, May 20.

BERLIN has re-emerged as a potential source of tension in East-West relations, according to the West German Foreign Minister, Herr Hans-Dietrich Genscher.

Herr Genscher told the meeting of Nato Foreign Ministers here to-day that the Soviet interpretation of the Four Power Agreement on the city was becoming increasingly restrictive and warned that the Russians *were again seeking to lesson its* ties with the Federal Republic.

The subject will be further discussed to-morrow when Herr Genscher meets the Foreign Ministers of the three Western allied powers, Britain, France and the U.S. for the traditional four power get-together.

West German sources, however, to-day gave three examples where the Soviet attitude was causing concern. One was a renewed tendency to refer to West Berlin as a "separate entity," despite the fact that the ties with West Germany were acknowledged in the Four Power Agreement. Another was the opposition to the West German plan to establish a National Cultural Foundation in the city. The third was the opposition to a Berlin meeting of the Procedural Committee of the Federal Parliament.

The sources added that the Russians had been gradually stepping up their pressure since last autumn.

Elsewhere in his speech, Herr Genscher *called for the* "revitalisation" of the Atlantic Alliance both politically and militarily, and stressed the importance of establishing a balance of conventional military power in Europe. Nuclear parity alone was not enough for security.

But he did note some favourable developments, among them the stationing of two new U.S. brigades in northern Germany and the recent French decision to strengthen conventional forces.

In a long. philosoohical review of East-West relations, Dr. Henry Kisinger, the U.S Secretary of State, said it was a question of learning to live with Soviet strength which had been built up over a long period of time rather than in reaction to any specific event.

The danger, however, was that since this strength exists there might be a temptation among the Soviet leadership to use it—a point echoed by Herr Genscher when he said that Soviet military capacity could be turned *into a political weapon.*

Mr. Anthony Crosland, the British Foreign Secretary, addressed the meeting almost exclusively on his recent visit to China.

The meeting ends to-morrow amid some interest in whether the word "détente" will be used in the final communique. The Americans are apparently against it on the grounds that it has been officially dropped by President Ford, but there is some reluctance among the Europeans to follow suit—especially the French.

IEA agreement on N-safety

PARIS, May 20.

MEMBERS of the 19-nation International Energy Agency (IEA) to-day signed two agreements calling for co-operation on nuclear reactor safety and on the development of thermonuclear fusion power.

One agreement, signed by Canada, Japan Sweden, Switzerland and the U.S., calls for scientists and engineers of the countries involved to work at the Los Alamos New Mexico, scientific laboratory over the next four years to conduct joint experimental and theoretical studies to further the design and construction of the Intense Neutron Source (INS).

The construction of the INS is intended to simulate the conditions which materials would be expected to undergo in a fusion power reactor and will thus make "a considerable contribution to the engineering development of this almost limitless source of energy," an IEA communique said.

Upon completion of the design, the INS will then be built as part of the on-going programme of the U.S Energy Research and Development Administration (ERDA). Thereafter, it is envisaged that a proportion of its operating time will be devoted to an international collaborative experimental programme

New spy case breaks in Bonn

By Adrian Dicks

BONN, May 20.

A SECOND major espionage case has broken in Bonn, following official confirmation late last night that one of the top-ranking officers of the West German secret service had been suspended from duty.

No formal charges have yet been laid against the official concerned, Herr Juergen von Alten, who has been serving as head of the evaluation and analysis department of the Bundesnachrichtendienst (BND) since 1974. But the Federal Attorney-General, Herr Siegfried Buback, said that an investigation had been under way within the BND for the past three weeks. Because of the special sensitivity of the service, Herr von Alten had been suspended from his duties on the orders of Herr Manfred Sehuler, the supervisor of the intelligence and security services in Chancellor Helmut Schmidt's office.

Herr Buback and his staff have declined to give any further details of the new case, beyond stating that it has no connection with the arrest last week-end of Frau Helge Berger, a Foreign Ministry secretary who is under suspicion of spying for East Germany for at least a decade.

Earlier, the newspaper Die Welt had reported a possible link between the two cases, in view of the fact that both had been working together at the Ministry before Herr von Alten was transferred to the secret service headquarters near Munich.

U.K. may back Belgian plan for EEC elections

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT BRUSSELS, May 20.

THE FOREIGN Secretary, Mr. Anthony Crosland, is understood to have expressed strong British support for a Belgian compromise proposal designed to end the stalemate over direct elections to the European Parliament.

Mr. Crosland is believed to have told the Belgian Prime Minister, Mr. Leo Tindemans, at a meeting in London yesterday that the U.K. regards the Belgian proposal as best-suited of all the various election schemes to U.K. needs and also as among the most likely to be adopted eventually.

The complex proposal, unveiled earlier this month, would leave the distribution of the Parliament's present 198 seats intact but would distribute an additional 203 seats among the nine member countries on a proportional basis. The number of British seats would be raised to 79 from 36 at present.

Mr. Crosland apparently believes that this formula comes nearest to meeting Britain's demands for a system which would give Scotland and Wales close to the number of seats awarded to small EEC countries with similar populations. The plan was also tailored to French demands that the basic shape of the Parliament be changed as little as possible, though it has so far attracted little French interest.

Meanwhile, yet another direct elections scheme has been advanced here, this time by Luxembourg, bringing the number of such plans now under active consideration to six. It calls for a 366-seat Parliament in which the four big EEC countries would get 72 seats each.

Denmark and Ireland would receive 14 seats each, Belgium and the Netherlands 22, while Luxembourg would remain at six, the present level. Its sponsors emphasise, however, that the proposal is not hard and fast and that small adjustments could be negotiated between the Nine.

It is thought that this scheme would also be broadly acceptable to Britain which, with France, is now regarded as being the most difficult country to satisfy in the debate. But it may depart too radically from the structure of the present Parliament to win French approval.

The motives of Luxembourg and its Prime Minister, M. Gaston Thorn, in putting the plan forward at this time are not entirely clear. In some quarters, the step is seen largely as a psychological manoeuvre, designed to prod member Governments into resolving the direct elections dispute as quickly as possible.

On the other hand, however, the need to reach a rapid decision appears to have been acknowledged by most or all of the participants at last week-end's informal meeting of EEC Foreign Ministers at the Chateau de Sennignen in Luxembourg. Some observers are therefore suggesting that the new formula may be tailored around the specific viewpoints expressed at the Sennignen meeting.

Portfolio for Thomson

BY OUR OWN CORRESPONDENT BRUSSELS, May 20.

MR. THOMSON, the British EEC Commissioner responsible for the Community's regional policy, is also to take charge of competition policy on a provisional basis, probably until the end of this year.

The Commission agreed to entrust the competition portfolio to Mr. Thomson in view of the serious illness of the Luxembourg Commissioner responsible, M. Albert Borschette, who collapsed after a debate of the European Parliament in Strasbourg last week.

It is feared that M. Borschette's health may not permit him to return to his duties before the end of this year, when the Commission is up for re-election. In the meantime his other portfolio, personnel and administration, will be looked after by the Commission President, M. Francois Xavier Ortoli. The Commission also decided that M. Henri Simonet, the Belgium Commissioner responsible for energy policy, should take over the industry and technology *portfolio from Sig. Altiero* Spinelli, who has withdrawn temporarily from Commission affairs to campaign in the Italian elections as an Independent candidate on the Communist list.

M. Simonet, who is planning to run for re-election as Mayor of the Brussels suburb of Anderlecht later this year, is also responsible for taxation policy, financial institutions and Euratom.

June date set for two Irish polls

By Giles Merritt

DUBLIN, May 20.

THE DATE for two simultaneous by-elections to Ireland's 144-seat Dail was announced to-day as June 10. Both are Fianna Fail Opposition seats made vacant by the deaths of their incumbents, and the Fine Gael-Labour coalition Government hopes to win one to increase its overall majority to seven.

The seat Fianna Fail stands to lose to Labour (which is putting up its own general secretary, Senator Brendan Halligan), is Dublin South-West. Fianna Fail is expected to hold the other seat just across the border from Ulster in Donegal North-East, providing that dissident ex-Fianna Fail Minister Mr. Neil Blaney *does not carry out his threat* to run an Independent candidate and so split the Opposition party's vote.

For Mr. Liam Cosgrave's coalition the Dublin South-West by-election offers the welcome prospect of a victory at a time when its economic policies are being increasingly criticised. But the Government also runs the risk that its handling of the economy—meaning its failure to secure a pay pause or, most probably, even a pay agreement from the unions—may be severely scrutinised on the hustings. If the Dublin voters record their dissatisfaction by massive abstentions historically the pattern with Labour supporters, failure to gain the *seat could be the catalyst* required to force an early general election.

Examination of joint ventures

BY A. H. HERMANN BRUSSELS, May 20.

THE COMMON Market Commission has investigated a joint venture between Continental Carbon and City Services, whose effect has apparently been to divide between the two companies the Italian and Dutch markets for carbon black.

The case is one example of what the Commission's competition department believes to be the most important new development in the cartel field—the establishment of joint ventures solely for the purpose of dividing up markets within the European Community.

The Commission believes that many chemical companies, which are big enough to compete on world markets, are nevertheless concluding a great number of horizontal, vertical and conglomerate joint ventures for this purpose.

By contrast the controversy over GKN's bid to take over Sachs in Germany, now prohibited by the German authorities, is seen in Brussels as a matter of secondary importance. But Commission experts believe that the German Cartel Office will have a hard time justifying its decision before the courts.

The development of the Commission's anti-trust policy has been hampered by the sudden illness of the Commissioner in charge, M. Albert Borschette, whose functions have been taken over temporarily by his colleague Mr. George Thomson.

German, French, nuclear deal

BY ADRIAN DICKS BONN, May 20.

WEST GERMANY and France have taken a further step towards practical co-operation in the field of nuclear reactors with the signature of a series of agreements earlier this week setting up the framework for a joint fast breeder programme.

The agreements signed at Bensberg between the French Atomic Energy Commission and the German companies Interatom and Kraftwerk Union, lays down the specific conditions under which the two countries' expertise in the fast breeder reactor area is to be pooled. Experience and design ideas will be exchanged, with a view to reaching a joint design that will be built in each country and marketed in a standard "package" to third countries. The ultimate aim is to reach complete standardisation of design between the two countries.

As foreseen when the two countries' technology Ministers first announced their agreement in principle at the Nice summit meeting three months ago, the new accords also refer to future collaboration on high temperature reactors, a field in which the Germans have already invested enormous sums without so far attracting any obvious enthusiasm on the part of the French to share the costs.

However, it is clear that in the preliminary talks, little further progress has been possible towards agreement on how the high temperature part of the programme should proceed. The deal now signed by the Governments and industrial groups on each side refer merely to the intention to defer a decision on a high temperature project until both the French and the Germans have taken further decisions on what they want.

Shipping inquiry in Norway

BY FAY GJESTER OSLO, May 20.

THE BANK of Norway has *started a major investigation of* foreign assets held by Norwegian shipping companies, a spokesman for the bank confirmed to-day.

The authorities are increasingly suspicious that some companies may have withheld information about their assets and subsidiaries abroad, in violation of Norwegian tax and foreign exchange control regulations.

Norwegian Trade Minister, Mr. Halvard Bakke, said last week that Bank of Norway experts would be taking a closer look at "various foreign currency transactions" carried out by shipping companies under the control of Norwegian tanker magnate, Mr. Hilmar Reksten, who recently announced his retirement as chairman of the Boards of these companies. Mr. Bakke, however, stressed *that* the fact that an inquiry was being conducted did not necessarily imply that any laws had been broken.

It now emerges that the Bank of Norway believes other shipping companies have not been completely frank about the extent of assets salted away abroad during boom years. There is speculation here that the world shipping slump may have put some companies on the spot, by forcing them to repatriate assets not previously listed in any tax return.

Until now, the Government has adopted a generally liberal attitude towards Norwegian shipping companies wishing to establish foreign subsidiaries. The Storting (Parliament) will soon debate a Government White Paper on shipping policy which argues that *this liberal line* should be continued and even extended to allow increased foreign flag registration of Norwegian-owned ships—a move welcomed by Norwegian shipowners. The present suspicions over undeclared foreign assets of shipping companies have therefore come at an unfortunate time for the industry.

Concerning the Reksten investigations interest is said to centre on a little-known Swiss-registered company called Iceland Shipping which last year bought up, at a discount, the claims of several creditors held against Reksten Companies which sold their claims to Iceland Shipping included Norway's Olsen and Ugelstad and the British company Ocean Trading and Transport.

CDP will not join a coalition

ROME, May 20.

THE CHRISTIAN Democrat Party, after a meeting on Thursday to decide on a national platform, reaffirmed its position that it will never consider a coalition with the Communists, whatever the outcome of the elections of June 20-21.

"We declare our rejection to the proposal of the Communists to reconsider the possibility after the election of setting up a Government of national unity," Party Secretary Begnino Zaccagnini said. "Our refusal will remain the same whatever the outcome of the elections."

Only on Wednesday, the Communists declared that they had no desire to form a Government without the participation of the Christian Democrats and they expressed the hope that the Catholic-backed Party would reconsider its position in the light of the election results.

The Communists are believed to have a chance to outpoll the Christian Democrats next month, giving them a strengthened claim to some role in the Government. The United States has expressed fears about the effect of such an outcome on the future of the Nato alliance, and the Italian bishops have been talking in recent days about the possible excommunication of catholics who run on the Communist ticket.

AP-DJ

Thousands mourn Franco

MADRID, May 20.

THOUSANDS of Spaniards gathered at General Franco's grave to-day to attend a memorial Mass marking the six months' anniversary of his death.

Despite efforts by Right-wing groups to make it a day of political nostalgia and pledges to defend the old régime, Spain hardly took notice. The Press virtually ignored the anniversary.

The Government of King Juan Carlos has shown increasing tolerance of opposition activities in the past six months and presented a programme to change the régime into what it calls a "Spanish-type democracy."

UPI

EUROPEAN NEWS

Have Swedish taxes reached saturation point?

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT

Olof Palme, Prime Minister of a Government raising among the highest personal taxes in the world.

Ingmar Bergman, the film director who has left Sweden to avoid paying very high taxes.

[SW]EDES probably are the most [dis]ciplined taxpayers in the [wo]rld. Unlike other Scandi[na]vians they have not spawned [an] anti-tax movement. Paying [tax]es is still very much regarded [as] a civic and moral duty. On [th]e enforcement side, under a [ne]w law Swedish judges may [sen]d tax dodgers to prison for up [to] two years, a punishment more [sev]ere than those meted out for [m]any crimes of violence, but [ce]rtainly not regarded as exces[siv]e.

When therefore even the [Sw]edes start moonlighting and [th]eir society is shaken twice in [a] couple of months by cases like [th]ose of Mr. Ingmar Bergman, the film director, and Miss Astrid Lindgren, the writer, it is fair to suppose that some limit has been reached to the burden of taxation the citizens of a democratic country are willing to accept. Most Swedes agree that they have reached that point and, if the Swedes can't take more, who can?

The National Tax Board admits that Sweden has the toughest, progressive direct taxes in the world. Table one shows the burden. Local authority taxes vary from one district to another but average out at 26 per cent. of taxable income (there are no "rates" as in Britain). The progressive element comes in the state tax.

The table oversimplifies, in that a managing director with an income of Kr.160,000 (about £20,000) would almost certainly also be subject to wealth tax. Swedes list on their tax returns the assessed value of all their property, including houses, summer cottages, cars, boats, share and bond holdings, jewellery and bank deposits. There is no levy on the first Kr.200,000 of this wealth, but a 1 per cent. tax is payable on the next Kr.75,000, 1.5 per cent. on the ensuing Kr.125,000, 2 per cent. on the bracket between Kr.400,000 and Kr.1m. and 2.5 per cent. on anything above.

The direct tax system allows for few deductions or allowances. Each taxpayer has a Kr.4.500 personal allowance. A wife with no income of her own entitles a taxpayer to deduct Kr.1,800 from his annual tax. There are no deductions for children except when the parents of two or more children under the age of 16 are both working: the parent with the lower income can then claim a deduction of up to Kr.2,000 a year before tax is assessed. Interest payable on loans and travelling expenses between home and work may be deducted before the taxable income is struck, but no source of income can be overlooked.

The progressive nature of Swedish direct tax, designed to produce a levelling of incomes, can be more forcibly illustrated than is done by the table. The managing director would pay on the last Kr.1,000 of his salary Kr.560 in state tax and Kr.260 in local authority tax, or 82 per cent. all told. The junior executive would pay Kr.380 state tax and Kr.260 local authority tax or a total of Kr. 630 of his last Kr.1,000. But most significant is the position of the industrial worker, whose assumed Kr.44,000 is the average annual wage of its members as quoted by the Trade Union Confederation. He pays Kr.305 in state tax and Kr. 260 in local authority tax or Kr.565 altogether on his last Kr.1,000 earned.

Volvo's managing director, Mr. Pehr Gyllenhammar, recently complained that one in five of the workers at his Torslanda factory failed to turn up for work. Most of them would be earning more than Kr.44.000 a year and paying well over 50 per cent. in marginal tax. Since they can collect nearly 90 per cent. of their wages in sickness benefits by staying at home, it is perhaps not surprising that Mr. Gyllenhammar suffers 20 per cent. absenteeism in his plant.

All social security charges are paid by the employer. Miss Lindgren has highlighted the plight of the self-employed and the owners of small businesses who have to pay their own payroll taxes. The 102 per cent. assessed against her income from children's books was due mainly to these charges, but also to a technical anomaly connected with the two-year lag in the time allowed for payment. The Government is expected to put that right.

One Stockholm newspaper cited the case of a joiner employing eight men in a small business with a turnover of Kr.2m. a year. One year he had a taxable income of Kr.75.000. After paying his own payroll tax and income-tax he was left with Kr.19.000, or considerably less than if he had been an employee with earnings of Kr.50.000.

It is widely agreed in Sweden that the tax system has to be changed that inflation is making nonsense of the income-levelling principle by bringing middle and even low income earners into high tax brackets and that self-employed and small businessmen are grossly overtaxed. So far nobody has much idea of what to do. A suggestion that an experiment be tried with a flat rate tax of 40-45 per cent., which would bring in as much as the present system, is politically unacceptable. Two commissions are at work, one plugging loop holes in company taxation, while the other has been working since 1972 on a reform of the whole system. It has proffered some useful short-term advice, which has helped the Government to do some tinkering each year, but instead of producing a final report this year, it has asked for more time to think.

The problem is illustrated in table two, which indicates the sources of the tax income, totalling over one-third of GDP for 1976. If you start from the assumption that local authority and State direct taxation has reached a limit, there are only three other sources. There is not much room to increase sales and special taxes, such as that on alcoholic drinks. VAT is now 15 per cent. and could probably be raised a few notches, but the most obvious target is the employers' payroll charges, which already amount to some 30 per cent. of wage and salary costs.

It is a safe bet that the commission will want to increase the burden on the employers. But the increases would inevitably be passed back to the taxpayers in their role as consumers and some thought must be given to both the solvency and international competitiveness of Swedish industry. In the final analysis the Swedes will probably have to agree to pay higher charges for the use of their impressive range of social services.

There is another aspect of taxation currently bothering some Swedes. High taxes engender stringent controls, a principle which does not on the whole upset Swedes, who accept discipline and have been administered for centuries by an efficient and incorruptible civil service. Last year parliament approved new powers for tax inspectors under a Securing of Evidence Act, authorising them to enter offices, search for and take possession of documents which they believed might contain evidence of tax evasion. They can do the same in a home by obtaining a court order. Parliament stipulated only that the inspectors, of whom some 400 will be trained, must be fully qualified for the job.

Some lawyers claim that the powers given to the tax inspectors exceed those of police investigating a criminal charge. The fetching of Mr. Bergman from rehearsal at a Stockholm theatre for questioning about his taxes spotlighted the issue, about which the Swedes are divided. Control appeals to their disciplinarian and egalitarian sides but the spread of the bureaucracy and the intensification of its powers are at last alarming their democratic instincts. Here, too, the Swedish taxation system may have reached a limit, although it is by no means certain that Swedes will ever withdraw the powers they have just given to their tax inspectors.

SWEDISH TAXATION RATES AND YIELDS

(in Kronor)

TAXABLE INCOME	STATE TAX	LOCAL AUTHORITY TAX	NET INCOME
Managing Director 160,000	61,280	40,430	58,290
Junior Executive 64,000	13,560	15,470	34,970
Industrial Worker 44,000	6,260	10,270	27,470

Kr.4,500 Personal Allowance taken into account.

Kr.8 = £1

Revenue in 1976	
Local Authority Tax	31bn.
Employers' Payroll Charges	27bn.
State Tax	23bn.
V.A.T.	16bn.
Sales and other Special Taxes	13bn.
Total	110bn.

Source: National Tax Board

GDR Congress hears from the dissenters

BY LESLIE COLITT EAST BERLIN, May 20.

[Y]UGOSLAV and Romanian dele[ga]tes have provided the first [di]ssenting opinions on what con[sti]tutes Communist unity at the [cu]rrent East German Com[m]unist Party Congress.

The Yugoslav delegation head, [St]ane Popit, a member of the [Yu]goslav Party's Praesidium [sa]id: "co-operation and soli[da]rity" between Communist [p]arties can only lead to the [st]rengthening of Socialism if [th]ey are based on strict respect [fo]r the following principles: [i]ndependence, equality, mutual [re]spect, non-interference in the [in]ternal affairs of other coun[tr]ies and the right of each revo[lu]tionary movement to choose [t]he path of its own struggle."

The Yugoslav's views were made in the presence of Mr. Mikhail Suslov, the Soviet Communist Party's Politburo Secre[t]ary for Ideology and World [C]ommunism. Mr. Suslov had [e]arlier warned that "proletarian [i]nternationalism" or, the bury[i]ng of sovereignty by individual [S]ocialist states in favour of a [s]upranational community led by [th]e Soviet Union, could only be [ab]andoned at great risk.

The Yugoslav delegate noted [th]at his party co-operates with [n]early all Communist Parties as [w]ell as with "Socialist and [So]cial Democrat Parties." He reiterated Yugoslavia's policy of non-alignment, saying it represents a "form of class struggle in international dimensions."

He was supported by the chief delegate from Romania, Mr. Ilie Verdet, a secretary of the Central Committee of the Romanian Party. Mr. Verdet appealed for a "unity of a new type" for the Communist movement, based on the principles of "complete equality, respect for autonomy and the right of each party to work out its own policy as well as the strategy and tactics of its struggle."

Delegates took note of the fact that neither the Yugoslav nor the Romanian chose to mention the 25th Congress of the Soviet Communist Party, unlike the party leaders of Poland, Czechoslovakia, Hungary and Bulgaria, who spoke earlier. East Germany's party leader Erich Honecker in fact spoke of the "general validity" of the Soviet Party's experiences for all other parties. In addition, the two delegates from the Balkans failed to mention the European Communist Party conference which has been delayed for over a year because of the above differences between Moscow and the independent Communists and which Mr. Suslov said was now "forthcoming."

Soviet quake chaos

MOSCOW, May 20.

[A]T LEAST 10,000 persons [w]ere made homeless and an [u]nknown number died in Mon[da]y's earthquake in the [so]uthern Soviet Union and [la]ndslides caused by floods hit [th]e area the same day, Moscow [Ra]dio disclosed on Thursday.

The broadcast indicated that [th]e extent of the disaster was [m]uch more serious than pre[vi]ous official reports suggested. It said that not only Uzbeki[st]an was hit by the quake, but [al]so the neighbouring Repub[lic]s of Tadjikistan and Turk[me]nia.

It was in the latter two [re]publics where "stone and [mu]d avalanches caused by in[ten]sive thunderstorms" took [pl]ace.

The broadcast did not give [th]e number of persons killed [bu]t in reference to the quake [—]more violent than that which [re]cently devastated parts of [no]rthern Italy—it said "signi[fic]ant damage" was caused. "In certain settlements, many [ho]uses and public buildings [we]re destroyed and damage [wa]s caused to industrial enter[pr]ises."

The worst-hit town was [Ga]zli, west of Tashkent, [w]here more than 10,000 people were left homeless," the Radio said. "Several people died and wounded persons were reported."

Moscow Radio said immediate aid was sent to victims of the earthquake and the landslides, including food, medicines and tents.

Construction teams, transport and mechanical experts and military workers were sent to the stricken areas. Special funds were set aside for relief.

The broadcast said the Central Committee of the Communist Party and the Council of Ministers "express condolences to the people and especial condolences to relatives of the dead."

Analysts said the fact the condolences came from as high a level as the Central Committee indicated the disaster was of grave proportions.

The earthquake measured between Force eight and nine on the 12-point Soviet scale.

Its epicentre aparently was close to Gazli but other major towns in the area, including Tashkent and Samarkand, reportedly escaped serious damage.

UPI

Repair moves in Italy

ROME, May 20.

[SO]ME 10,000 or 15,000 of the [..]000 earthquake refugees in [nor]th-eastern Italy may be able [to] return to their homes in "a [rea]sonably short time," Interior [Mi]nister Francesco Cossiga told [the] Senate to-day.

[R]eporting on the aftermath of [the] May 6 earthquake in the [Al]pine foothills of Friuli, [Co]ssiga said 29 towns or [vill]ages were 61 to 90 per cent. [des]troyed and 2,100 unsafe [bui]ldings have been demolished [sin]ce the quake. He said repairs [of] recoverable buildings should [allo]w 10,000 or 15.000 persons [to] return home before long and [th]e other persons now living [in] tent cities might find accom[mo]dation with relatives or [frie]nds.

[C]ossiga said 923 bodies have [bee]n recovered from the ruins [of] wrecked towns. He said 2.409 [per]sons were injured and an [esti]mated 70.000 homeless.

[S]hortly after he spoke, the [Pre]fecture of Udine, centre of [the] stricken region, raised the figures to 925 known dead and 2,721 injured, of whom 2.506 were still in hospital.

Cossiga said rescue workers have installed 10.500 tents with a capacity of 157,000 persons and distributed 140,000 blankets, more than 689,000 K rations and 280,000 doses of typhoid vaccine.

He said 418 roads have been reopened, the electricity network 90 per cent. repaired and the telephone system 80 per cent. restored. Railroad connections have been partly restored and the state railroads have made available 168 passenger coaches for emergency housing and 290 freight cars for depositing goods recovered from the ruins.

Seismological observatories in Trieste and Piano d'Arta reported four more tremors in Friuli over the past 24 hours, raising the total number of aftershocks to 92. The latest tremors measured a mild 2.3 to 3.5 on the Richter scale and there were no reports of casualties or damage.

UPI

No Cuban troops for Rhodesia—deputy PM

Cuba has no intention of sending troops to Rhodesia to assist nationalist guerillas there, Cuban Deputy Prime Minister Carlos Rodriguez said yesterday, reports Reuter from Tokyo.

He said the current situation in Rhodesia differed from that in Angola, where Cuba had sent troops to assist the Popular Movement for the Liberation of Angola (MPLA).

Dr. Rodriguez said Cuba would send troops overseas if requested by the legitimate government of a country—as it had in the case of Angola.

But in Rhodesia, he said, the liberation campaign was being waged "by guerillas and the African National Congress, not by the Government."

He added: "I don't think it is right to achieve a revolution with the aid of foreign troops. A revolution should be carried out under a country's own power."

Iran gas field

An Iranian-Japanese-U.S. consortium which has struck what one source says may be one of the earth's largest natural gas fields could eventually require $1bn. to complete confirmation of the offshore Iran site's reserves and develop a liquefaction plant, a *Japanese partner told AP-DJ*

Japanese steel

Kawasaki Steel Corporation and Nippon Kokan K.K. will announce price increases on all major steel items averaging 10,000 yen per ton to-day, Kawasaki Steel said, reports AP-DJ from Tokyo. The price boost will be effective on July-August deliveries.

Lockheed Corpn.

Political lobbyist Yoshio Kodama, former agent for Lockheed Aircraft Corp. in Japan, destroyed all documents and materials regarding his consultant contract with the aircraft company, the Mainichi Shimbun newspaper reported yesterday.

Swapo claim

Swapo, the black nationalist movement fighting in Namibia (South-West Africa) to-day claimed to have shot down four South African military planes, destroyed 15 troop carriers and armoured cars and killed 100 people in guerilla raids in the first four months of 1976, writes our Dar es Salaam correspondent.

The dead were soldiers and *enemy civilians, Swapo said, add*ing that it had also captured more than 40 South African troops and killed four agents of the Bureau of State Security—the feared South African secret police—in an attack on a house in Windhoek in the middle of April.

Pertamina debts reduced by Indonesian Government

BY OUR ASIA CORRESPONDENT

DR. MOHAMMAD SADLI, Indonesia's Minister of Mines, yesterday confirmed to Parliament that the debts of Pertamina, the State oil company, had topped $10.5bn. However, he said that the Government had managed to reduce the debts to $6.2bn.

The Minister said that the *reduction in debts was achieved* by cancelling a number of projects, changing the terms of others and issuing a Government loan of more than $2bn. to the oil company.

Dr. Sadli gave the following details of the debts: contracts for construction of buildings and commercial loans worth $2.5bn.; contracts for building liquefied natural gas projects in Sumatra and Kalimantan (Borneo), an oil mill in central Java and a fertiliser factory in Kalimantan, $1.9bn.; Krakatau steel project and others, $2.1bn; telecommunications works $156m.; and contracts for hiring and buying oil tankers $3.3bn.

Some of the details which the Minister gave of the ways in which Pertamina planned projects without reference to the Government have led to demands that the former president-director of the oil company, *Lt-Gen. Dr. Ibnu Sutowo, should* be called to account for his policies.

Powerful

Some senior members of Parliament wanted Gen. Ibnu to be called before Parliament himself. This call followed a similar demand from a delegation of Jakarta students.

A few years ago, soon after the rise in world oil prices, Gen. Ibnu was generally acknowledged to be the most powerful man in Indonesia after President Suharto himself, and some diplomats thought that the head of Pertamina had more power than the President of the country. The oil company was at the centre of Indonesia's development programme and supplied more than half the country's export earnings and Government budget revenue.

Dr. Sadli said that "beyond *the Government's knowledge*" Pertamina had leased a series of ocean-going tankers, constructed office and residential buildings, and increased the planned capacity of the Krakatau steel mill from 500,000 tons a year to 2m. But he added that the Government was convinced that there had been no foreign interference in the affairs of Pertamina.

The Minister said that the Government was planning to sell some of Pertamina's non-oil activities and some of the proceeds would go towards paying the debts.

Australia plans big spending cuts

BY KENNETH RANDALL CANBERRA, May 20.

THE AUSTRALIAN Treasurer, Mr. Phillip Lynch, said to-night that the Government had slashed its spending plans for the coming financial year by $A2,600m. Expenditure in practically every area of Government activity has been cut back; social security and education are the only significant exceptions.

The cutbacks seem likely to reduce the expected Budget deficit for 1976-77 to about $A2,200m. But there is a possibility of even more spending cuts—and new revenue measures—in the Budget to be introduced in August.

Mr. Lynch announced a series of measures which he said, were designed to "reduce uncertainty, add to confidence and assist in economic recovery."

The Government is introducing from July 1 a new tax system on personal incomes. Gross incomes will be discounted by a percentage equivalent to the rise in the consumer price index for the previous 12 months, although any rise in the index produced by indirect taxes will be excluded from calculations.

There will be substantial increases in family allowances which will mainly benefit low income families. Taxation allowances for dependent children will be discontinued, reducing the benefit for higher income families and producing a negligible additional cost to the Government.

Medibank, the National Health insurance scheme, will be partly financed in future by a 2.5 per cent. levy on incomes, with a cut-off point for low-income earners. The effect of this measure, too, will be one of income redistribution, as well as budgetary management.

The Government spending cuts are likely to have the greatest immediate effect, politically and economically. The axe has fallen most heavily on the urban renewal and development programmes started by the previous Labour Government, but transport, broadcasting, construction and maintenance programmes are all cut heavily.

Aboriginal welfare and advancement programmes have been frozen for a year pending a study of their cost effectiveness. Trade promotion and export development activities are curtailed, and Government grants for industrial research and development are to be phased out.

The immigration target is being raised from 50,000 to 70,000 for 1976-77 but only 30,000 assisted passages are being provided and they will cost more: $A200 instead of $A150 for single people and $A300 instead of $A150 for family units.

Iraq wants oil price rise

BEIRUT, May 20.

THE IRAQI Government urged the Organisation of Petroleum Exporting Countries (OPEC) to-day to raise crude prices by 15 per cent. from July 1.

The Iraqi Oil Ministry said Baghdad would press for this demand at next week's OPEC meeting in Bali, Indonesia.

It said oil prices were raised by "a mere 10 per cent." during the past 2½ years "while the *prices of commodities imported* by the OPEC countries rose by more than 100 per cent."

The statement said the "inflation exported by the industrialised nations to OPEC countries between last October and the end of this month is estimated at 15 per cent. This means that crude prices should be raised by a minimum 15 per cent. as of the end of June."

UPI

Ugandans seize Kenya drivers

By John Worrall NAIROBI, May 20.

ANOTHER bitter quarrel has broken out between Kenya and Uganda, this time concerning *nine Kenyan lorry drivers* detained by the Uganda authorities while freighting explosives from Kenya to Sudan. Four lorries belonging to the Kenyan *Government-owned Kenatco* Transport Co. are missing, together with 27 tons of explosives ordered by Chevron Oil, which is exploring in Sudan.

Clearance had been obtained for passage through Kenya and Uganda. To-day the Kenyan Ministry of Foreign Affairs was pursuing investigations in Uganda. It is believed that the drivers and their teams were being held in Luzira prison, Kampala. No explanation has been received from the Uganda Government. The Sudan Embassy in Nairobi is also investigating the matter.

Kenya's ruling Kanu party said to-day it was "very indignant, but hoped good counsel would prevail." It appealed to Kenyans not to exacerbate the situation.

According to the general manager of Kenatco, Mr. John Gitau, Kenyan police escorted the convoy to the Ugandan border, where it was taken over by Ugandan police.

Relations between Kenya and *Uganda have been deteriorating* since Ugandan President Idi Amin publicly laid claim to areas of Kenya territory.

West Bank bus incident

AN ISRAELI bus driver fired warning shots to-day when he was surrounded by demonstrating Arabs south of here, but police said the West Bank of the Jordan was generally quiet.

They said the incident occurred near the village of Sur Bahir when Arabs set up an improvised stone barricade and prevented the bus from moving on.

Police, who arrived after the driver fired the shots, made several arrests, but said there were no injuries

Agencies

Iran links Libya with guerillas after fresh urban violence

TEHERAN, May 20.

URBAN GUERILLAS responsible for a wave of killings and gun battles with police have been armed and financed by Libya and the Popular Front for the Liberation of Palestine (PFLP), an official Iranian statement said to-day.

The link between the guerillas and their paymasters has been established from captured documents and people arrested following clashes this week between security forces and gunmen in Teheran and other parts of Iran, the statement said.

The *documents* will be made public in the next few days.

It was the first time Iranian authorities have openly implicated an Arab country and the PFLP with the underground opposition in Iran. Iran and Libya do not have diplomatic relations.

Earlier this month the authorities said a guerilla killed in a gun battle with the security forces had received six-months training in Cuba.

Cuba and Iran severed diplomatic relations last March because Cuban leader Fidel Castro had openly supported what he called the "liberation struggle" of the outlawed Tudeh (Communist) Party in Iran.

At least 30 people, including five women, have been killed so far this week in gun battles between security forces and urban guerillas in Iran's worst spate of violence this year.

The total included five policemen and four bystanders. Several people were also wounded, but none seriously.

Ten of the guerillas, three of them women, and the four bystanders were killed in fighting on Tuesday at Kharaj, 28 miles west of Tehran, in Qazwin, north-west of Kharaj and at Resht on the Caspian Sea, an official statement said.

It was the eleventh incident reported since the beginning of the year, the fourth this month, and raised the total number of guerillas killed or executed in Iran to 51.

In this city of 4m., where booming business has made the pursuit of politics uninteresting and unrewarding, political violence passes often unnoticed. Newspapers usually publish official communiques, sometimes issued two or three days after an incident. The skirmishes seem to be pinpricks rather than a determined bid by the underground opposition to unseat the Government.

The extent of this opposition is not known, but it is generally believed to be too small to worry the Government. Iran's security network is well spread and efficient and no anti-state activity is likely to go undetected for long.

Reuter

Robert Graham adds: Observers differ as to whether the guerillas all belong to one loose grouping or two groups. Most accept that there are two groupings—one with a strong nationalist ideology that manages to absorb both Left-wing and Right-wing extremists, another which retains some links with the old disbanded Tudeh Party.

Arms found on the guerillas reportedly of East European make, could have been quite easily available following the end of the Kurdish war last March. Traditionally Iraq has been a source of aid to guerillas here, so has the Palestinian resistance movement. But both these sources are now believed to have stopped, and Iran is even considering the opening of a PLO office here.

Jumblatt, Sarkis meet

BEIRUT, May 20.

CLASHES in Beirut and in the eastern mountains died down to-day after a possible breakthrough in Lebanon's political deadlock raised hopes for an end to the latest round of fighting.

Socialist leader Kamal *Jumblatt held talks with President-elect* Elias Sarkis last night for the first time since Mr. Sarkis was elected to succeed President Suleiman Franjieh. Sources *close to Mr Sarkis said* the two-hour meeting was "the first stage in the move towards a political détente."

Right-wing and Left-wing radio stations said that the conference, which included Palestinian guerilla leader Yasser Arafat, agreed on a cease-fire soon to allow Mr. Sarkis to take office "in a peaceful atmosphere." But Mr. Jumblatt told reporters late last night that there was no faith in reports of a truce agreements.

The Socialist leader said Mr. Sarkis had given him a "proposal that deserves study and answer" which he forwarded to the members of his Left-wing alliance. Political sources said that Left-wing elements planned a meeting later to-day to discuss the President-elect's proposals.

Sporadic shelling continued throughout the night in Beirut and the mountain battle zones, but slackened by mid-morning. The indiscriminate artillery duels, coupled with skirmishes in the capital's port and commercial districts, killed 65 and wounded about 150—bringing the 13-month conflict's toll to more than 22,000 killed and 43,000 wounded.

UPI

Thousands demonstrate in Eritrea

ADDIS ABABA, May 20.

DEMONSTRATIONS were staged in the Eritrean provincial capital of Asmara to-day in support of Ethiopian Government policies against secessionist rebels in the Red Sea province.

The official Ethiopian News Agency said 80,000 people took part in the demonstrations which followed similar turnouts in Addis Ababa and other centres.

Meanwhile, reliable sources reported that trucks and buses carrying peasant farmers were still heading for the Eritrean area from various parts of the country.

Ethiopian officials have denied persistent reports that a huge peasant march into the province is planned to counteract secessionist activity.

Reuter

LABOUR PROBLEMS IN ANGOLA

The battle for production

BY JANE BERGEROL IN LUANDA

MEDICAL ORDERLIES at one of Luanda's hospitals stood about the other day arms akimbo, enjoying their post-colonial right to strike. Unfortunately for Angola's decimated economy, they are not the only ones to have organised stoppages. One of the MPLA Government's major challenges to-day is to persuade urban workers, particularly in the Luanda industrial belt, to join in the "battle for production."

It is not going to be easy, in some way paradoxically, Luanda, always an MPLA city, is now the most fractious of all. Officials are finding more problems here, among their traditional supporters than, for example, in the industrial complex of Lobito, which formerly supported the rival Unita movement. Even during the war, those returning from the front to the capital were unhappy with Luanda's lack of wartime spirit. Many Luandans are potential members of a rising middle class, inevitably forming to take the places vacated by the Portuguese in industry and administration. MPLA is pledged not to allow such a new bourgeoisie to take root to the detriment of "people's power." The Prime Minister, Mr. Lopo de Nascimento uttered a warning last week against "replacing the Portuguese or American bourgeois with an Angolan bourgeois."

Tensions between the aspirations of these candidates for membership in a new middle class, and the workers of the capital who still see no prospect of owning a car or living in a modern flat have also contributed to the current unrest in the factories and to an understandable wave of resistance on the shopfloor against the new technocrats and management committees.

Most of the difficulties are made by workers who are simply demanding higher salaries and shorter working hours, but who give unquestioning support to the MPLA leadership and the trades union organisation UNTA (National Union of Angolan Workers). Then there are others with less allegiance to the party and the Government. Some stir up workers' demands to own themselves the abandoned factories of the Portuguese *rather than see them state-owned* or turned into co-operatives; others are Unita or FNLA supporters. All are more easily able to cause political confusion in Luanda than elsewhere, because of the relatively sophisticated politics of the Luandan workers.

Both party and Government *officials* dismiss some of the unrest as the work of Çazacuteiros, meaning "confusion makers," a favourite word derived from an Angolan dance in which every dancer does his own thing. But they do not underestimate the potential of their remaining FNLA and Unita adversaries, or the genuine grievances which are causing current problems, and which, if unconditionally satisfied, will further burden an already overloaded treasury.

ZAIRE has closed its border with the oil-rich Angolan enclave of Cabinda to prevent infiltrations by "subversive elements," president Mobutu Sese Seko, told a meeting *to-day, AP-DJ reports from* Kinshasa. He noted that what he described as "subversive elements" had been moving *into Cabinda in recent days.*

Official sources said these "elements" were members of the pro-Western FNLA and Unita, both defeated by the *Communist-backed* MPLA which now controls Angola.

The government is taking its one at a time. The textile mills workers met last week with the trades union general secretary and with Mr. Lucio Lara, a top ranking political bureau member, and other high MPLA and union men have gone on their rounds too. Emergency management committees are being appointed to companies either *nationalised* or simply abandoned, and elections for shop union committees are also under way.

Explaining the recent nationalisations is one top priority. Explaining the state of the economy, and the urgent need to get production moving again is another. "There can be no political independence without economic independence" is a popular car sticker, replacing the wartime "not an inch of land to the enemy."

What the Government intends to concede in the way of salary rises remains to be seen. Some economies have been made through cuts in the higher Civil Service earnings. The Cabinet itself set the example last November at its first meeting by *slashing its own pay.* Undoubtedly some workers will be awarded more pay, seeing that many of them are still on basic rates more than two years old.

But awards will not be handed out unconditionally. In return, the government expects a rapid increase not merely of production and productivity to enable pre-war levels of output to be restored. It also plans general improvements to working and living conditions, with better urban public transport (100 Jugoslav buses are due shortly to relieve the 18 buses currently sweating through Luanda's streets); more shops to cut food queues; and canteens in the factories. In some provincial cities absenteeism is being cut by docking pay.

Supplies of spare parts, technical expertise, and imported raw materials should improve as economic co-operation agreements are put into effect with a number of Socialist and semi-western countries and companies. Many plants are suffering also from a shortage of local raw materials—the food processing sector and plywood firms for instance—which is gradually being righted as co-operative farming takes over abandoned settler plantations.

HOME NEWS

Concorde set to fly to U.S. on Monday

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

[B]RITISH AIRWAYS and Air [Fr]ance are ready to start the [fir]st regular supersonic [sc]heduled airline services [ac]ross the North Atlantic [be]tween London and Paris [an]d Washington on Monday, [aft]er the ruling by the U.S. [Co]urt of Appeals that the [fli]ghts are legal.

The U.S. court on Wednes[da]y rejected claims by [Co]ncorde's opponents, includ[in]g the Environmental Defence [Fu]nd, that the U.S. Govern[m]ent was wrong in permitting [a] 16 months' trial of Concorde. Monday's flights will mark [th]e start of the trial, during [wh]ich every aspect of [Co]ncorde's performance—[in]cluding noise, local airport [an]d environmental pollution [an]d safety—will be carefully [mo]nitored.

[Pr]esidential flight

If at any time during the [tri]al the U.S. Government [be]comes convinced that Con[co]rde is harmful to the [env]ironment, the flights will be [sto]pped.

British Airways and Air [Fr]ance, the U.K. and French Governments and the aircraft's makers, British Aircraft Corporation and Aérospatiale, remain convinced that Concorde will prove to be less noisy and harmful than many of its opponents claim.

They have been encouraged by the eye-witness reports this week of the French Concorde flight carrying President Giscard d'Estaing to Washington, that Concorde was less obtrusive than many had expected.

Monday's flights will be as near-simultaneous as air traffic control arrangements permit.

The British Concorde is due to leave Heathrow at 1301 BST and the French Concorde Charles de Gaulle Airport, Paris, a few minutes later. They will cross the Atlantic about 12 miles apart at 1,350 mph.

The two aircraft will slow to subsonic speed about 50 miles from the U.S. mainland for the descent into Washington's Dulles International Airport and will land at about 1650 BST (11.50 local time). The British aircraft will land first, closely followed by the Air France Concorde. On departure, the British Airways flight will again be slightly ahead.

The flight time for the 3,658 miles will be 3 hours 49 minutes, compared with the average subsonic jet time of about 7 hours 50 minutes.

British Airways and the British Aircraft Corporation published figures yesterday showing that in its early months of service on flights to Bahrain and Rio de Janeiro, Concorde proved a success.

On the British Airways flights to Bahrain, load factors now average 55 per cent. Air France's load factors remain steady at about 73 per cent. on the Paris-Rio route and are already over 50 per cent. on the Paris-Caracas route, which began on April 9.

Technically reliable

Passenger demand on the North Atlantic is heavy, with British Concorde flights to and from Washington heavily booked for several months ahead.

For both airlines, the Concorde's technical reliability is over 93 per cent., which according to Mr. Alan Beaves, British Airways Concorde marketing manager, is "a tremendous achievement in a new aircraft type with a quantum jump in technology."

Demand for steel rising again

BY ROY HODSON

INDICATIONS that the pace of Britain's industrial recovery is quickening came yesterday with reports from steel stockholders of a rising demand for many types of steel during the past few weeks.

Steel-using companies that ran down their stocks of materials last year are now re-stocking, Mr. John Annetts, chairman of the National Association of Steel Stockholders, said last night in his report to the association's annual conference at Gleneagles.

Sales by British stockholders slumped last year to 3m. tons compared with 4.3m. tons in 1974 and a record 5m. tons in 1973.

Mr. Annetts said that last year was "a dismal year" for the stockholding business. It was seldom that such an acute weakness in demand such as had just been experienced occurred in two successive years.

The European association of stockholders—known as the Stockholders Club—took a view recently that the upturn in steel demand had started across Europe, although members felt no great confidence that there would be a return to strong industrial activity during the rest of this year.

Mr. Annetts said of the future of steel supplies that stockholders on the Continent as well as in Britain had expressed concern that, when demand increased, there could be an acute supply shortage.

Industry likely to face a scrap shortage

BY OUR OWN CORRESPONDENT

THE steel industry will soon face a shortage of quality scrap and home-based merchants will have to contend with import competition on a scale never sustained before, the British Scrap Federation said yesterday.

A report to the Federation's annual conference in Harrogate says that insufficient high quality scrap is likely to be generated in Britain to meet all demands as more steel mini-mills come into operation.

Electric arc furnace capacity has increased considerably, since the last period of high demand in 1974. "The competition for raw material is likely to force up prices to new levels."

This would not necessarily be a blessing for the scrap industry. Cash flow problems would be increased and, with prices moving up and down more sharply, the penalties for failing to judge the market correctly would be much greater.

British Gas in profit again—but more rises in pipeline

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH GAS returned to profitable trading in the last financial year, but it will still seek a price increase in about six months.

Sir Arthur Hetherington, the corporation's retiring chairman, said that a further price increase was needed to build up reserves, improve the self-financing ratio "and maintain an efficient industry."

The profit, for the year ended March 31, contrasts with a loss of £44.2m. in the year 1974/75. Details will not be disclosed until the annual report in July.

The application for a further price increase is likely to be made in October or November, a year after the previous rise of an average of 20 per cent.

This time, the increase is likely to be "modest by current standards:" it will be within the Price Code and less than the rate of inflation.

British Gas, which plans to spend £1.5bn. over the next five years—largely on distribution and offshore exploration and development — maintains that the price of its energy source is highly competitive, but not underpriced.

To emphasise the point, Sir Arthur, and his successor Mr. Denis Rooke, criticised those in the coal and electricity industries as trying to blunt the corporation's competitiveness.

The counter-attack was aimed directly at Mr. Arthur Hawkins, chairman of the Central Electricity Generating Board, who has suggested that natural gas supplies are too cheap and should be taxed to bring them more in line with electricity and coal supplies. The coal industry has supoprted the "tax gas" call.

Sir Arthur said that the tax suggestion had been made "allegedly to conserve resources for the future," but that he suspected it was meant to hamper the sale of gas.

Mr. Rooke, chairman-designate, said: "If you can sell gas at a competitive price and make a profit—what is wrong with that? Our 14m. customers would be facing massive increases in their bills because of some nice, tidy planning on a bit of paper."

The corporation spelled out the dangers of undue Government interference in its business practices. Restrictions could lead to higher prices; less efficient use of a primary energy; reduced choice for customers; and less efficient use of the investment made by British Gas and natural gas producers.

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Meriden hopes to start Italian work in July

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE MERIDEN motorcycle co-operative near Coventry expects to begin assembling Italian components for a 125 cc lightweight machine in mid-July, as the result of completing negotiations with Sig. Alessandro di Tomasso, head of Moto-Benelli, the leading producer of two-wheelers in Italy.

The co-operative plans to assemble an initial batch of 2,000 before the end of the year. At present it is making about 300 Bonneville 650 cc machines a week with just over 600 workers.

The 125 cc bike, at a projected £330 retail price, is expected to undersell the toughest Japanese competition by at least £3.

This addition to the range will free the co-operative for the first time from having to market its output through Norton Villiers Triumph, which used to own the factory.

NVT decided to close Meriden as part of a £4.8m. Government-financed plan to rescue the motor-cycle industry and concentrate production at Birmingham and Wolverhampton factories, both of which have since been put in the hands of liquidators.

The Meriden workers began a sit-in in the late summer of 1973 and ended it only after the Government agreed in February last year to pump nearly £5m. into the project.

Industrial democracy move by Varley

BY PHILIP RAWSTORNE

[TH]E GOVERNMENT is to [re]inforce its provisions for [wo]rker participation in the [nat]ionalised aircraft and ship[bui]lding industries.

[M]r. Eric Varley, Industry [Sec]retary, yesterday tabled [am]endments to the Government's [leg]islation imposing a duty on [the] proposed State Corporations "promote industrial demo[cra]cy in a strong and organic [for]m."

[T]he corporations would be [req]uired to begin discussions [wit]hin three months of vesting [day] with the unions on the [me]thods of carrying out this [obl]igation.

Reports would have to be [ma]de to the Secretary of State [wit]hin six months on the action [to] be taken both to promote in[du]strial democracy and the [lar]gest possible degree of [de]centralisation of management.

The amendments, among 208 [ta]bled by the Government, will be debated during the three-day report stage of the Aircraft and Shipbuilding Industries Bill in the Commons next week. Pressure for the strengthening of the workers' participation provisions came initially from Labour back-benchers during the Bill's record 58 sittings committee stage.

Mr. Gerald Kaufman, Minister of State for Industry, has in recent weeks consulted various unions on the subject, which has also been under active consideration by the industries' organising committees.

Ministers believe that their proposalst for imposing statutory duties on the two industries after nationalisation will give a general stimulus to the movement towards industrial democracy in the rest of industry.

The Bullock Committee is due to report around the end of the year on the introduction of industrial demoracy in the private sector.

City of London examines council lottery scheme

BY DONALD MACLEAN

[TH]E CITY of London may be [the] first local authority to intro[du]ce a lottery to raise funds.

[T]he City's Court of Common [Co]uncil decided yesterday to [exp]lore the possibility of going [ahe]ad with a lottery scheme. [Eve]n though the legislation which [will] permit local council lotteries [will] limit them to a level low [in r]elation to the overall needs [of l]ocal authorities.

[A] consultative document on [regu]lations to be made under the [Lott]eries Act, 1975, was pub[lish]ed by the Government on [Tue]sday. Under Government [prop]osals, weekly lotteries run [by] local authorities and some [othe]r bodies will be limited to [a m]aximum turnover of £10,000, [and] the maximum single prize [of] £1,000.

[Th]e Layfield report on local [gove]rnment finance, published [on] Wednesday, recognised lot[terie]s as a low yielding form of tax, while pointing out that this and other low-yielding sources of cash such as tourist taxes could not make a substantial contribution to local authority revenue.

The Layfield report is to be studied by the City of London Corporation, other local authorities and other organisations in coming weeks against the background of the Government request that response to the report's suggestions should be submitted by the end of November.

The Chartered Institute of Public Finance and Accountancy has set up a working party which will hold its first meeting on June 3.

● The City of London Court of Common Council yesterday approved expenditure of £51m.-£58m. on the Barbican arts centre scheme, which is due to be completed in the spring of 1979. This compares with an estimate of £33.5m. made in 1973.

[S]candinavians may [p]ut up newsprint

[B]Y LORNE BARLING

[SCAN]DINAVIAN newsprint pro[ducer]s have told U.K. publishers [that t]hey may raise the price of [newsp]rint unilaterally on August [1 des]pite of widespread protests [at the] proposal for an increase [The] hard-line attitude of the [Scand]inavians results from [failur]e to reach any agreement at [a mee]ting this week.

[Ne]wsprint users said that [newsp]apers simply could not [afford] to pay an additional £20 [a ton]ne, which would bring the [price] of 48.8 gramme newsprint to £208 a tonne.

It is possible if negotiations continue, that some concession may be made by the producers, although this would mean that their returns from U.K. sales would be lower than from sales in other countries.

Domestic producers traditionally have followed the lead of the Scandinavians on price and any concession would probably influence the level both of their increases and those of Canadian companies.

[N]ame change by Brandts

[BY] MICHAEL BLANDEN

CLOSER integration of [Bran]dts, the merchant bank, into [its pa]rent Grindlays Bank group [is bei]ng recognised with a change [of na]me.

[The] name of the merchant [bank] is being changed to Grind[lays B]randts. The move follows [the p]roblems experienced in the [recent] past by Brandts, particu[larly] on property lending. These [le]d to some £24m. of special [provis]ions in the past two years [and a] restructuring of the man[ageme]nt.

[Las]t year, Brandts left the Accepting Houses Committee, the top club of City merchant banks, as a result of its closer integration with the group. It was recognised that it would no longer have the management independence required of committee members.

Grindlays stated yesterday that the name change, which takes effect from June 1, was being made "to signify the closer identification of Brandts with the Grindlays Bank Group to all our connections in the U.K. and overseas."

[']No perks' buyers told

[FI]NANCIAL TIMES REPORTER

[The] 4,000 members of the [Instit]ution of Buyers are to be [prohib]ited from receiving per[ks] in the course of their [work] under a new code of prac[tice p]ublished by the institution.

[The] code says: "Gifts should [not b]e accepted at any time. [And] caution should be exer[cised] in receiving entertainment at the supplier's expense, as any kind of obligation should be avoided, the over-riding factor being that personal relationship with the supplier should not interfere in making a business decision."

A breach of the code could lead to expulsion from the institution.

HOME NEWS

Chemical import curb urged

By Rhys David, Chemicals Correspondent

THE British Plastics Federation is to ask the Government to impose controls on the import from Italy of phenolic moulding powder, a material used in plastics manufacture.

The federation claims that the Italian concern Soc Italiana Resine has captured a large share of the U.K. market by offering the material at prices far below those charged by the U.K. industry.

Earlier this year imported material from Italy was available at £235-£250 a tonne compared with the U.K. price of £330 per tonne.

Although Italian prices have climbed to about £260 a tonne, it is claimed that serious damage still is being done to U.K. producers, which are having to consider redundancies.

Mr. Chris Bromley, deputy director of operations for the federation, said yesterday that a study of market prices for phenol, the principal raw material used in making the moulding powders, and for the powder itself, in Italy and Britain, had made it clear that financial assistance was being given to enable Soc Italiana Resine to quote such low prices.

The federation, which has sent its request to Mr. Michael Meacher, Parliamentary Under-Secretary at the Department of Trade, is asking for the implementation of a clause in the EEC Treaty of Rome which allows new members to protect their markets against unfair competition from other members.

A further meeting with EEC Commission officials was held last week. At that, assurances were given that the matter would be taken up with the Italian company. The federation has given a warning that other complaints are being formulated against Italian companies.

● BP Chemicals announced yesterday that it is to expand its capacity to make phenolic resins—a stage further back in the manufacturing process from moulding powders—by 50 per cent.

Government may extend investment aid scheme

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

TUBE INVESTMENTS subsidiary, Accles and Pollock, is the latest company to take advantage of the Government's accelerated investment scheme designed to counter the worst effects of the recession by persuading companies to bring projects forward and revive those shelved.

Accles and Pollock is to receive a relatively modest amount compared with other grants made public so far, but it now seems certain that the full £120m. offered to industry will be taken up.

Applications for assistance are still being accepted. Investment schemes involving more than £500,000 (including working capital) are being considered and the signs are that the Government would be prepared to increase the £120m. to avoid turning down worthwhile schemes.

All projects for consideration must be started before the end of September.

About 36 projects had been approved by the Department of Industry by the end of last week, involving £35m. of grants towards investment schemes worth a total of £248m.

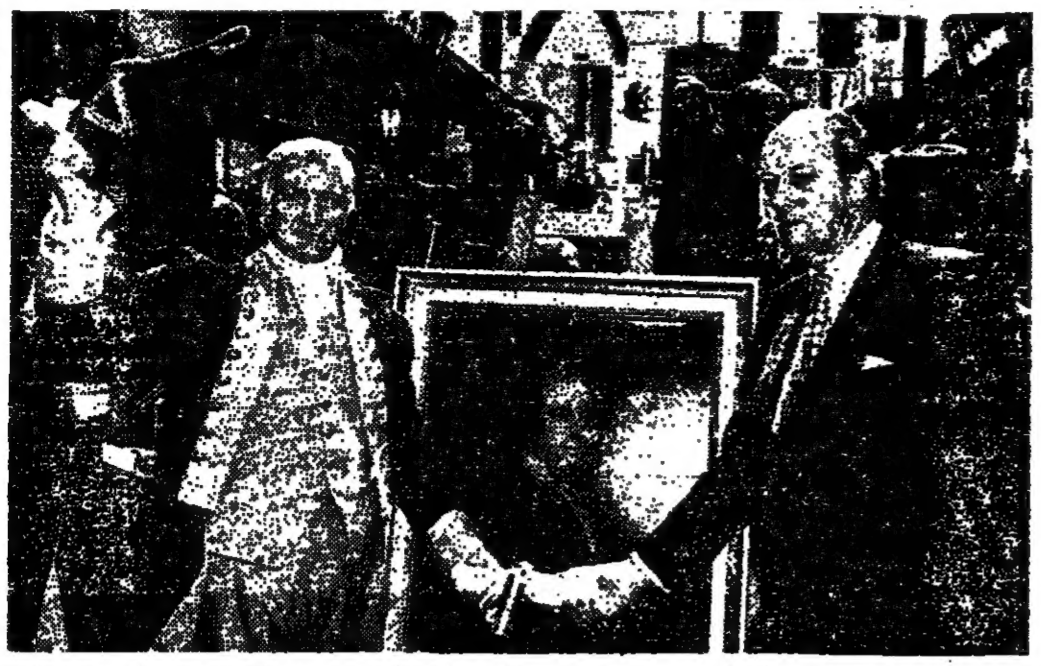
A further 12 applications for a total of £50m. are close to a decision and about 100 more are being processed.

Should most go through, the full £120m. would be absorbed and the scheme would have stimulated "new" investment totalling about £750m. since it was inaugurated just over a year ago.

Grants so far made public include a £10.14m. interest relief grant to BP Chemicals, another of £3.7m. to Lucas and a loan of £4.9m. to Ransome Hoffman and Pollard.

Accles and Pollock is to get an interest relief grant towards a £2.8m. modernisation programme at its cold drawn tube manufacturing facilities at Oldbury. This would involve a grant of around £350,000.

The programme will include a major replacement of old plant. About 20 per cent. of the cash will be used to buy equipment from other Tube Investment companies.



The 38 traders in Burlington Arcade, Piccadilly, London, were officially "pardoned" by the U.S. yesterday, when Mr. David Kyle of the American Legion, in War of Independence uniform, handed a scroll to the Duke of Devonshire, whose forebears built the arcade. Between them is a portrait of the duke's ancestor, Lord John Cavendish, who financed the British war effort against the Americans. The traders, now "pardoned" for Lord Cavendish's action, are free to celebrate the U.S. bicentennial.

Low order figures confirm plight of machine tool industry

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE SERIOUS plight of the machine tool industry is starkly illustrated by the latest official statistics, showing that at the end of February orders-on-hand were at "an all-time low in real terms."

Orders destined for the home market were equal to less than six months' home deliveries, while export order books could sustain the recent sales activity for about seven months.

However, the figures, published in Trade and Industry magazine to-day, show a marked increase in new orders during the three months to the end of February. New contracts from overseas markets showed a 94 per cent. jump on the extremely low level of the previous three months, which was the lowest since the depths of the 1972 recession. And orders from the home market rose 20 per cent. in value terms.

The Department of Industry is very cautious about these statistics and comments: "It is too early to tell whether the recent increases in the order books, after an all-time low, represent a turning point predicting the recovery in the contracts which is normally associated with the upturn in manufacturing investment."

Some sectors of the industry are more optimistic. Alfred Herbert's chairman, Mr. John Buckley, says there are good reasons for believing that the long period of low demand is coming to an end and that there is now likely to be a slow but steady improvement.

And Jones and Shipman reports that the level of inquiries and orders rose during the first quarter, compared with the average for the whole of 1975.

The latest mechanical engineering "Little Neddy" short-term forecasts predicted only a "moderate" increase in orders for machine tool makers.

The major question mark involves the British Leyland car division's investment programme, which has been much delayed. The machine tool makers fear that the next £100m. tranche of State cash will now not spin off into orders for their products until world demand has picked up.

All in all, the delay by British Leyland has been a nasty blow for an industry, much of which is currently working at only 50 per cent. of capacity.

The Department of Industry statistics to-day show orders on hand at the end of February worth £181m. and that was 4 per cent. lower than the end of the previous three months and the lowest level in current value terms since December, 1972.

The overall intake of new orders, at £74m., however, was 41 per cent. higher than the previous three months and 33 per cent. over the same period a year earlier.

Heath calls for U.K. leadership on Europe

By Philip Rawstorne

MR. EDWARD HEATH last night called on the Government to give a lead in rescuing the European community from "a dangerous loss of confidence."

The EEC summit meeting in July would have to achieve some solid progress if Europe were to emerge from the doldrums, he said at the annual meeting in London of the Conservative Group for Europe.

The former Prime Minister set out six objectives in his "agenda for Europe":

1—Agreement on direct elections to the European assembly by 1978.

2—A substantial advance towards a common foreign policy. "The community will never be able to exert its real influence in the world until this is done," he said.

3—A full scale review of the Common Agricultural Policy and its re-establishment on a sound economic base. "We can no longer afford to go on tinkering with it."

4—A common approach to the problems of inflation and unemployment.

5—Improved co-operation in European industrial projects. "There are dangers that collaboration with the United States' aerospace industry could wreck plans for a European aerospace industry," he said.

6—An urgent and concerted study of the Tindemans report "so that we can shift European development into a higher gear."

Mr. Heath said that the referendum a year ago had given the British Government a unique opportunity to provide leadership for the whole Community. "They have failed dismally. The opportunity has been thrown away," he said.

Mr Heath said that the "agnostic position" of both Mr. Callaghan and Mr. Crosland, the Foreign Secretary, might be understandable in the narrow confines of internal Labour Party politics. "But they should try to realise how great a disadvantage their attitude imposes on Britain."

He added: "It is time the Prime Minister brought the whole Cabinet to accept the will of the British people as recorded in the referendum and pursued the European policy which the country desires."

Shoe sales service code soon

By Elinor Goodman, Consumer Affairs Correspondent

MORE THAN two years of negotiations between the footwear trade and the Office of Fair Trading are expected to result next week in the publication of a voluntary code of conduct for the sale of shoes.

When Mr. John Methven, the Director General of Fair Trading, embarked on his policy of trying to get industries to improve their standards of service voluntarily in 1973, he said that the shoe industry was one of his priorities. Since then he has publicly reminded shoe retailers of the need to deal more effectively with complaints.

The new code, which will be published on Wednesday, has been prepared by the Footwear Distributors' Federation in consultation with the Office of Fair Trading.

It will also apply to members of the five sponsoring organisations—the Multiple Shoe Retailers' Association, the National Shoe Retailers' Council, the Wholesale Footwear Distributors Association, the British Footwear Manufacturers Federation and the British Rubber Manufacturers Association.

It is hoped that some retailers which are not members of any of these associations will also abide by the spirit of the agreement.

Above average growth 'possible'

BY ANTHONY HARRIS

THE TREASURY says in a reply to a Commons Expenditure Committee claim that the Government was relying on a miracle to achieve its medium-term economic objectives, that the objectives ought to be achievable, though "their achievement is anything but automatic."

It says in a memorandum published yesterday by the committee, that "given worldwide recovery and the Government's policies for the improvement of industrial performance, above average growth rates are possible from the low point of a recession."

The Treasury note promises that in future White Papers on public expenditure which has become known as the "Wynne Godley gap"—the excess of actual over planned spending in past years—will be set out and analysed.

There will also be a more detailed analysis of the economic impact of changes in spending policy. But the Treasury will keep an open mind for the time being on the committee's request that in future spending plans should be shown against projections of future Government revenue.

The Treasury says that it will consider this as part of its study of the way expenditure policy is presented in other countries.

Expenditure Committee: 5th Special Report; Commons Paper 427, SO 20p.

More new companies register

About 6,190 new companies were registered in March, almost 80 per cent. more than a year earlier and the highest total since August, 1973.

Of this upsurge in registrations amounting to £41.7m., most—some 72.5 per cent.—were for a nominal capital of £100 or less.

According to the Department of Industry, the March figures mean that registrations in the first three months of this year, at 13,754, were running 30 per cent. higher than the comparable quarter of last year, while the nominal capital involved, about £82.7m., was also up by 30 per cent.

Fewer cars

The U.K. motor industry made 92,726 cars in the four weeks to April 24—13 per cent. fewer than 12 months before, the Department of Industry confirmed.

Car production in the four months to April this year was 8 per cent. lower than in the same period last year.

Safety cabs

Ford yesterday became the last of the major U.K.-based tractor manufacturers to launch a new range of quiet, safety cabs for farm tractors—to comply with Government noise level legislation, due to be introduced on June 1.

Investment art

Debenhams, the Oxford Street, London, department store, launched its Investors Collection which aims to spotlight original and limited-edition art objects with investment potential.

Car prices up

Aston Martin has increased the price of its two models bearing that name by about 7 per cent. because of rising raw material costs. It is temporarily dropping the recently revived Lagonda Marque from its range.

VW campaign

Volkswagen will begin a £300,000 six-week advertising campaign on Monday to mark the official launch of the VW Polo, its new 900 cc small car. The Polo has been on sale in the U.K. since February, but Volkswagen has only just managed to fill its distribution network.

Motor-cycle curb

Sixteen-year-old motorcyclists would be restricted to machines with a top speed of 30 mph under Government proposals to re-define the moped for licensing purposes. The aim is to reduce the death and injury figures for 16-year-olds.

'Leave Bank free'

The Bank of England should be relieved of the responsibility of borrowing money to finance the Government deficit and left free to concentrate on monetary policy, stockbroker Rowe Rudd urges.

Money orders

Barclays Bank International has increased the limit of its international money orders from £100 to £500 and £250 to £1,000.

Cost of ban

A ban on heavy goods vehicles in town centres would increase transport costs by £3.30 a ton, according to a study by the Transport and Road Research Laboratory.

Nomination for vacancy on SE Council

By Margaret Reid

STOCKBROKER Mr. Patrick Mitford-Slade, a partner in Cazenove and Co., has been proposed as a member of the Stock Exchange Council, the annual election for which will be held on June 21.

Council members normally serve for three years and 13 vacancies will have to be filled next month.

Ten of the existing members are standing for re-election, while two vacancies have been caused by the deaths of Lord Ritchie and Mr. Michael Marriott, both former chairmen. Another vacancy results because Mr. Hugh Ross is retiring.

Plea on assurance commission

BY ERIC SHORT

TWO COMPANIES are seeking substantial concessions on the new life assurance commission scale. They are Friends' Provident Life Office and Sun Life Assurance.

The scale has been drawn up by the Life Offices Association and is due to come into force on July 1.

The new scale differs greatly from the one used now in that the initial commission is to be based on premiums instead of the sum assured. It will make higher commissions payable on shorter term contracts, with considerably lower rates for the very long term and whole life policies.

The new scale also imposes a commission limit of 60 per cent. of the premium. This contrasts markedly with the present system of £2 per cent. of the sum assured, under which for whole life non-profit policies on young lives, the initial commission can be three times the first year's premium.

One reason for introduction of a new scale was a desire to rationalise the disparity between different types of policy in the amount of commission paid.

World demand for coal 'will double by 2000'

BY ROY HODSON

WORLD DEMAND for coal will almost double by the year 2000, Sir Derek Ezra, chairman of the National Coal Board, told a London symposium on coal exploration yesterday.

Sir Derek said that the challenge facing the industry was that, while reserves were vast, coal was relatively difficult to extract and less convenient to use than some other fuels.

It was the reverse of oil where reserves were limited but, when discovered it was relatively easy to extract and use.

New techniques, such as fluidised bed combustion, would advance the traditional bulk energy usage of coal, but, increasingly, coal would be used for conversion to other fuel forms such as oil substitute, gas and chemical feedstock.

"Research is going on to provide the answers in all those areas."

The world's coal industries had to overcome the geological problems and ensure that working conditions underground constantly improved.

Coal Industries had to move on from mechanisation to automation, with new generations of machines to reduce the number of men and further improve performance.

The coal exploration programme in Britain, which had been stepped up since 1970, was now about half way towards proving the whereabouts of the best 20m. tons annual coal capacity that could be gained from investment in new mines and the best 22m. tons that could come from developments at existing mines. Spending on the programme would reach £13m. this year.

For the first time, the industry had investigated areas of Britain with no longstanding coalfield tradition.

It had been shown that, even in a country with so mature a coal industry as Britain's, happy surprises could still occur.

They had found unexpectedly accessible and productive extensions of coalfields such as Selby in Yorkshire and, more recently, the Belvoir-East Leicestershire extension of the Nottinghamshire coalfield.

About £20m. is to be invested by the Board to exploit reserves of top quality coal in North Staffordshire. At Silverdale colliery, near Newcastle-under-Lyme, work will start on two surface drift shafts to gain access to a 50m. ton coal deposit.

New surface plant will also be built. The pit is expected to be one of the most productive in Europe well into the next century. What will amount to a new pit will retain the skills of the existing Silverdale workforce.

LABOUR NEWS

Fear of shipyard lay-offs in row over 'dirt money'

BY IAN HARGREAVES, LABOUR STAFF

WIDESPREAD lay-offs are expected to-day at Cammell Laird Shipbuilders, Birkenhead because of a three-week-old dispute involving 95 men who erect scaffolding.

The trouble began when the men, members of the Boilermakers' Amalgamation, were refused payment of £1.86 "dirt money" for working with greasy materials inside a ship's funnel.

Five days later the men were dismissed by the company, which said they had taken strike action. Since then the yard has been the scene of a temporary occupation of a vessel by some scaffolders. There were heated exchanges as the company attempted to introduce sub-contractors to do the work. The men now are barred by a court injunction from entering the yard.

Mr. Barry Williams, union official, said last night that he was demanding re-instatement of the men and an observance of traditional procedural practices. He accused the company of refusing to negotiate during the dispute.

A bad time

The scaffolders have the support of the yard's 1,500 boilermakers, who decided at a meeting on Wednesday not to do scaffolding work or allow sub-contractors to do it. The total production workforce of the yard is about 4,000 and most of these will face lay-offs soon if the dispute is not resolved.

The dispute has come at a bad time for the shipyard. At Cammell Laird extensive re-structuring and renovation have created a more optimistic atmosphere than for some time and, although the company is delighted at the success of its latest contract with the Royal Navy, it will certainly be looking for more orders soon. A reminder of the yard's once notoriously bad industrial relations will not help.

Meanwhile, the boilermakers have come under attack from fellow trade unionists following the announcement that International Process Industries has cancelled a project to convert a cargo ship into a floating ammonia plant at Gladstone Dock, Liverpool.

Work on the project was delayed by six months last year because the boilermakers could not agree with seven other unions and the company whether work was to be carried out according to shiprepair or land site practices.

Mr. Williams claimed yesterday that the contract had been withdrawn because the Indonesian company involved, Pertamina, had run into financial difficulty and had set up a labour dispute in order to find a way out of its commitments. There was no question of his union having been obstructive.

But representatives of the seven other trade unions who stood to gain employment on the ship, the Mary Elizabeth, believe the isolated stand of the boilermakers has lost them not only the Pertamina contract but jeopardised the possibility of a string of similar jobs connected with Scottish oil operations in the future.

● Members of the Association of Professional, Executive, Clerical and Computer Staffs have blacked the British Steel Corporation's Oswald Street offices in Glasgow because of a union recognition dispute. The union claims its action could halt work within four days at the big Ravenscraig steel strip mill.

Pay strike goes on at Coventry Climax

BY DAVID CHURCHILL, LABOUR STAFF

ABOUT 300 machine shop operators at the British Leyland subsidiary Coventry Climax, which manufactures fork-lift trucks, decided yesterday to continue a strike over interpretation of a pay claim under present incomes policy.

The strike has stopped all production of trucks—about nine a day—which is costing the company about £70,000 daily at showroom prices. About 40 hourly-paid workers were laid off yesterday by the company which said it was reviewing the position of another 200 workers who face being laid off if the strike continues.

The dispute is over a claim by the operators for the full £6 allowed under present pay policy but, because of a £1 increase to workers last autumn under a previous pay settlement, the company says this must be offset against the £6 claim.

A district official of the Amalgamated Union of Engineering Workers in Coventry said last night that the dispute had reached stalemate because of pay policy guidelines saying that any rise since last August had to be offset against the annual pay claim.

The strikers had been told at a recent works conference about limits imposed by the pay policy but had gone ahead with a work-to-rule in protest. This led to a walk-out on Monday when management gave an ultimatum to workers to work normally or production would be stopped.

Print union merger predicted

By Alan Pike, Labour Staff

AMALGAMATION between two leading print unions, with a single union for the entire industry "at the end of the day," was openly predicted by Mr. Joe Wade, general secretary of the National Graphical Association, yesterday.

Mr. Wade told the conference of the Society of Graphical and Allied Trades in Blackpool that SOGAT and his union had taken enormous strides over the past few months which were bound to lead "first of all to a complete restoration of relations between our two organisations and eventually to amalgamation."

The presence of Mr. Wade on the conference platform of a union which was once a fierce rival of the NGA is evidence of the growing sense of co-operation between the print unions as they face up to the economic state of the industry and the introduction of new printing technology which will make many existing skills obsolete.

He will also visit the National Society of Operative Printers Graphical and Media Personnel (NATSOPA) conference, while the SOGAT and NATSOPA general secretaries will address the NGA.

Challenges

Mr. Wade told the SOGAT delegates that his union had been having constructive discussions on outstanding problems with NATSOPA and would shortly hold talks with another print union, the process workers SLADE.

The challenges of economic and technological change, he said, were bound to create friction and tensions between unions and their members, but the time had come for the unions to stop dissipating their resources by fighting each other. "And we must get rid once and for all of the concept that any one union can properly serve the interests of its members in isolation."

The print unions, Mr. Wade said, shared common objectives and this was bound to lead eventually to one union for the industry.

APEX makes rival bid over General Accident

BY OUR LABOUR STAFF

A LONG-RUNNING row between two white-collar unions competing for members in the General Accident insurance company has taken another twist with a new appeal to the Advisory, Conciliation, and Arbitration Service to mount a recognition inquiry.

The unions—the Association of Professional, Executive, Clerical and Computer Staffs and the Association of Scientific, Technical and Managerial Staffs—have been engaged in a bitter dispute over the last two years. The dispute has been taken to the TUC disputes committee and the High Court.

APEX said yesterday that it had asked ACAS to hold an inquiry, under Section 11 of the Employment Protection Act, into the union's claim for recognition by the company. Earlier this year, ASTMS also submitted a Section 11 application seeking ACAS support for its recognition.

The APEX application is intended to maintain the impetus of its claim for recognition since it merged with General Accident's 3,000-member Staff Association exactly two years ago.

This merger brought an angry reaction from ASTMS which claimed that APEX was signing up staff traditionally within its recruiting sphere and asked the TUC to intervene under its Bridlington "no poaching" rules.

The TUC subsequently decided that APEX, which had no existing members at General Accident, should not proceed with the merger. But the General Accident staff association challenged the TUC decision and took the case to the High Court which decided last October that the TUC had no power to stop the merger.

Now ACAS is likely to conduct a survey of staff attitudes this summer and make its report later in the year.

Union call to split Post Office

By Our Labour Staff

THE STRUCTURE of the Post Office is strongly attacked to-day by the Post Office Engineering Union. In evidence to the Carter committee of inquiry into the Post Office, the union supports the idea of splitting the telecommunications and postal services and placing them under the control of two new national Boards.

The 125,000-member union claims that the Post Office's present organisation "is not conducive to the most efficient running of any of its enterprises."

The union believes that the size and diversity of the business, ranging from letter deliveries to data processing "renders effective strategic management by the present Board an impossible task."

It also suggests that the Post Office Board lacks members with a background in telecommunications and that this is causing it to lose business, because of lack of initiative and expertise.

Example

It cites the 12-month delay over the choice of a new telephone switching system as an example of the Board's failure to take effective decisions.

The union feels that it would be unreasonable to expect an individual Board member, however talented, "to possess the necessary knowledge to take swift and informed decisions on both major businesses."

It believes, however, that both sections of the Post Office should still work together in such areas as wage administration and research and development, if the corporation was split up as it proposes.

The union comments favourably on the industrial relations situation within the Post Office but says it would still like to see workers elected onto the Board.

AUEW reviews Scanlon need for casting vote

BY ROY ROGERS IN SCARBOROUGH

THE CONTROVERSIAL issue of whether Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, should have a casting vote is likely to be reopened following repeated tied votes by the national committee of the union's dominant engineering section, meeting in Scarborough.

The latest deadheat among the 52 delegates means that detailed proposals for amalgamating the union's four sections into a fully-unified body have been thrown out for the third year running.

Afterwards, Mr Scanlon said that the national executive would have to consider whether to call a special rules revision conference to decide how to resolve deadlock situations in the future.

In the past, Mr Scanlon has exercised a casting vote but last year that right was challenged in the High Court by a Right-wing member of the national committee. The result was a decision by Mr Justice Walton that the union's rule did not provide for a president's casting vote.

Earlier this week, a voting stalemate for the election of a member to the standing orders committee, which carries out conference arrangements, was broken by Mr. Scanlon tossing a coin. But the union executive decided against similar action on the amalgamation issue which split the politically divided committee right down the middle. As a result, the motion was declared lost.

Even if it is decided to hold a special rules revision conference, there is no guarantee that an agreed rule change will emerge because the rules body comprises the same 52 delegates and they might well divide evenly once again.

Clive Jenkins 'invades' Tory Central Office

BY OUR LABOUR STAFF

MR. CLIVE JENKINS, who recently offered clergymen the negotiating strength of his Association of Scientific, Technical and Managerial Staffs, yesterday announced a procedure agreement in the equally unlikely realms of Conservative Central Office.

The agreement, which covers 60 Central Office employees who have joined the association, was signed on behalf of the Conservative Party by Mr. William Clark, MP for Croydon South and deputy chairman of the party. It was described by Mr. Frank Dowling, the association's divisional officer, as the classic case of "death-bed conversion" or "poacher-turned-gamekeeper."

Central Office members will belong to a Central London branch of the association, composed largely of bank staff. The union is trying to recruit full-time Conservative Party staff working in the provinces.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Transfer gives 3-D effect

UNVEILED yesterday at Interstoff in Frankfurt is a new British approach to applying textured effects to fabrics by a heat transfer printing process.

Smith Brothers (Whitehaven), whose invention it is, has called the process TexturFlex and its interest to the trade is that it allows many types of textured patterns to be applied on plain fabrics. After the treatment, these become indistinguishable from much more expensive materials unless subjected to close scrutiny.

Five years' work coupled with an extensive knowledge of heat transfer printing technology are behind the new development.

In this type of printing, designs are transferred from paper to man-made fabrics through the use of heat-sensitive inks. During the process, the inks sublime from the paper on to the plain fabric and the required colours are obtained in one relatively easy operation *with no need for further processing.*

Colour-fastness satisfies the requirements of the clothing and furnishing trades and, combined with the new approach, allows the fabric printer to make up small or large batches in an almost unlimited selection of textured patterns and that with minimal capital outlay.

As the pattern preparation is made under laboratory conditions in Britain, overseas customers can be assured that high fashion designs will easily transfer to *locally-produced low cost plain* cloths—for instance lightweights can be textured to look like tweeds and checks so that clothing manufacturers can offer new designs in markets where heavyweights would be impracticable.

Users require little more than *a simple heat-transfer press* and if they wish can have designs made exclusive to them for a specific market.

The developers operate some 30 flexographic printing presses in their plants. One is among the world's largest, producing heat transfer paper to a maximum print width of 2.2 metres and in six colours.

The process is ideally suited for synthetics such as polyester. Other fibres can be printed by the method, but dyes will have *to be selected carefully for the application intended.* The developer of the process has all the laboratory and experimental facilities needed to advise on such problems.

Smith Brothers is *proposing* to show the development at its new London centre—114, Cavendish Street, London W1M 7FD—from next Monday.

Further information on the process and the company's service from the production centre at North Shore, Whitehaven, Cumbria CA28 7XY. Whitehaven (0946) 5633.

● LIGHTING

Dawn and dusk will switch street lamps

STREET LAMPS operating at the wrong times should be a thing of the past—with consequent savings for ratepayers—thanks to a tiny pin-head electronic device costing less than £1, which is triggered by natural light levels.

For some time local authorities have been concerned by the number of street lighting failures caused by faulty time-clocks, and the manual resetting required following local power failures.

Integrated Photomatrix has carried out specific research into the needs of the street lighting industry and has come up with its answer to the problems, the IPL 18 light activated Switch, which could be incorporated into the lamp's circuitry.

It is the world's first photoswitch designed specifically for street light control, the company asserts.

IPL's two lightlevel switch takes into account automatically the daily light level changes throughout the year—something that time clocks cannot do without constant alteration. Additionally *it has little chance of going* wrong since its prime working source is daylight. In the event of a power failure the IPL 18 automatically sets itself to the *dark condition to* safeguard against incorrect operation should the ambient light level be between dusk and dawn. The lamp allows for the vapour warm *up requirements of street lamps.* A switching delay built into the circuitry ignores transients like lightning flashes or the passing beam of a car headlamp.

Greater London Council are in process of accepting it as a standard part of street lighting equipment.

Integrated Photomatrix, The Grove Trading Estate, Dorcester. (0305 3673).

● COMPONENTS

Timer unit in single circuit

MOS digital clock microcircuits with an on-off timer *for use in* tape and video recorders, cookers and white goods appliances or in stand alone clock-timer modules are offered by General Instrument Microelectronics from its Glenrothes, Scotland, production unit.

The new 28 pin AY-5-1230 microcircuit can be interfaced with either a large four digit, seven segment fluorescent display or with a smaller LED display to form a 24-hour clock module. Alternatively, it can be teamed with a TV channel display *micro-circuit to display the time on* the screen during programme selection and to set the TV turn-on time.

A clock-timer module can be *built around the new micro-*circuit at minimum cost from very few components. For example one capable of switching the mains supply on and off can be assembled from one new micro-circuit, a four digit LED or fluorescent display, a triac and a few passive components.

GIM at 57, Mortimer Street, London W1N 7TD 01-636 2022.

● METALWORKING

Drive shaft deburring

HARDY SPICER is using an electro-chemical forming (ECF) machine with multi-station tool*ing to remove circlip groove* burrs on splined drive shafts. Burrs would prevent proper seating of the circlips, but their removal by hand would be uneconomical.

The machine being used, an 8 kW 400A unit, deburrs four inboard plunging joints simultaneously per minute. It is the *latest ECF machine developed* by Healy of Leicester, Dorothy Road, Leicester LE5 5DN (a TI company).

Cadmium content is low

THREE silver solders with a cadmium content not exceeding 0.05 per cent. are now available from Stubs Welding of Wilderspool Causeway, Warrington, Cheshire. (0925 50441).

Two of the silver solders are new. These are: Stubs 3033, a thin flowing, multi-purpose type silver brazing alloy for ferrous and non-ferrous metals; and Stubs 3040, a very fluid, low melting point silver alloy for steel, nickel, stainless steel, copper, brass, bronze and aluminium bronze.

The third solder, Stubs 7, has had widespread use for several years as a silver solder for applications where a higher melting temperature is essential (800°C), but only recently had it been possible to reduce its cadmium content. The special analysis gives a brass-coloured deposit, making it suitable for brass fabrication, steel, nickel, stainless steel and alloy steel.

Shapes the metal quickly

A DIE-SET press has been intro*duced by Ardon (Huyton) of* Wilson Road, Huyton, Merseyside (051-489 4441), to cover a wide range of presswork requirements.

Available in 10-ton and 20-ton capacity models, it can be used for blanking, piercing, forming and cropping work under manual or automatic control.

Hydraulically powered, it has an adjustable ram stroke of up to 2 inches (50mm.) and operation is controlled by means of either hand valve or solenoid valve control. An operating speed of two strokes per second is recommended for continuous production work.

The press has overall dimensions of 13 inches (330mm.) by 17 inches (430mm.) by 22 inches (560mm.) high. The daylight dimension is 6 inches (150mm.) and the platen area measures 8 inches by 12 inches (200mm. by 305mm.). The open, tie-bar construction, says Ardon, simplifies work setting and facilitates the used auxiliary component-handling equipment.

● POLLUTION

Cleans up the harbour

BOTH oil and flotsam can be picked from the water in lakes and *harbours* by a conveyor manufacturer's latest idea for sales outlets for its steel belt conveyors.

The company involved is Sand*vik Conveyors, which has devised* a catamaran steel hull with two conveyors in the bow and two in the stem.

The conveyor belts in the stem *are perforated while the stern-*mounted belts are solid. Heavy oil and solid objects will be picked up by the stem belts, water and lighter oil passing *through perforations to be col*lected by the solid stern belts. Oil adheres to the surface of the steel belts and is carried upwards. The water, with lower adhesion, will not cling to the belt.

Separation of oil from water is claimed to be nearly 100 per cent. Oil is discharged from the conveyor belts into tanks aboard *the craft.*

Overall length of the craft, called the Piranha, is 12 metres, *overall* width is 4.6 metres. Total width of the stem con*veyor belts is 2.0 metres, the* stern belts 1.6 metres.

The craft is powered by a Perkins marine diesel engine, the engine room being mounted directly above the centre pontoon.

Sandvik (Hereward Rise, Halesowen Industrial Park, Halesowen, West Midlands B62 8AN (021-550 7671) says capacity of the Piranha is about 50 tons of crude oil an hour. The craft can be used as a working vessel for tasks other than oil and debris collection.

The first Piranha is now operating at Norsköping on the south east coast of Sweden—vessels will be *built to order at a cost of about* £70,000 ex-works.

● PROCESSING

Shaping up plastics

WEGENER (Aachen) plastics sheet welding and bending machinery and its hot air torches and accessories will be distributed throughout the U.K. and Eire, by Bielomatik London.

The sheet welding and bending machines are supplied in working widths of 1, 2 and 3 metres and with varying degrees of automation. They have capability to accommodate sheet thicknesses ranging from 1-25 mm.

Plastics fabricated parts produced by bending and welding are used across a wide area of industry. A major application for the machines is in the production of rectangular or circular ducting.

Bielomatik, Cotswold Street, London, SE27 0DP (01-761 1211).

● DATA PROCESSING

Small users wooed

AIMED in particular at such business tasks as sales and purchase ledger, order entry processing and stock control is the Vanguard introduced by Semaphore Computer Systems, Borough Road, Godalming, Surrey (04868 5631).

The minimum offer is a central processor unit, visual display unit, 5.6 megabyte disc and a 180 ch/sec. printer at a price of about £16,000. Processor is the Varian V76, with Hazeltine VDU, Pertec discs and Logabax printer.

Semaphore's aim is to provide the user with an installation tailored to his needs at any stage of the company's growth, and to allow for expansion without the need to expend any hardware originally purchased or to make costly software changes. Vanguard can be expanded from the basic 16k up to two megabytes of main memory.

● ELECTRONICS

Eight inch display

ILLUMINATED single digit display modules with a height of 200 mm (eight inches) and visible at a range of about 100 metres have been developed by Ginsall of Cowes, IoW, PO 31 (098382 5111).

Display is a dot matrix of incandescent lamps in seven-segment format behind a red contrast filter screen. Lamp life is given as 12 months of continuous operation.

The units are easy to connect to the outputs of digital counters, thumb-wheel switches or counters and require only a normal mains supply for energisation. Each digit module includes its own power supply unit together with decoders and drivers.

The modules can be close-coupled to make up a display of the required size. There are three kinds: 1620A is a full digit with the ability to display four letters of the alphabet; 1620B is a "half" digit with availability of polarity indication; 1620C is programmed to display only "5" or zero for use as a reduced resolution least significant digit. All data and control inputs are compatible five volt positive logic.

● CONSTRUCTION

Operator oriented excavators

TWO HYDRAULIC excavators, the H4S (tracked) and P4S (wheeled), have been announced by Ford Tractor Operations, Eastes Farm Road, Basildon, Essex SS14 3AD (0268 3000). They are to be made at the recently expanded construction equipment manufacturing facility at Charville, France.

They will be available in the U.K. towards the end of this year. Prices for the new machines have not yet been disclosed.

Power is provided by the 6-cylinder 401 DF engine, giving 108 DIN hp at 2100 rpm.

Main feature of the excavators is a flat deck sound-insulated ISO-mounted cab. Operating noise level in the cab is down to 85 dBA, meeting the tightest of the European noise regulations. A fresh air heater is standard, and the door can be secured fully open flat against the cab side; it can also be locked shut.

Servo controls for the hydraulics are mounted on twin consoles on each side of the cab, together with full instrumentation. The control connec*tions have been arranged so that* is it simple for the operator to arrange them in whatever sequence he is used to working.

On the backhoe the standard two-piece boom with strengthened components and a new monobloc boom option will be available, with a wide range of buckets and attachments. The dipper sticks and buckets are compatible for the two-piece boom or the mono boom.

The H48 can be operated safely on slopes up to 41 deg. and the P48 on slopes up to 29 deg.

● COMMUNICATION

For use at sea

FOUR pieces of equipment have been introduced by International Marine Radio — a VHF set, marine transmitter and receiver, and an alarm/watchkeeper receiver.

STR24S is a compact 55 channel VHF radiotelephone designed for use *in small fish*ing vessels, coasters and ferries. It has a dual watch facility that allows simultaneous listening on channel 16 and one other selectable channel. In addition up to five private channels can be made available with a plug-in sub-unit. Measurements are 386 x 200 x 215 mm and the RF output is 25 watts.

The marine transmitter ST350C has 400 watts output and can handle telex as well as telephone and telegraphy. It has been introduced to meet the growing requirement for error-free transmission of printed information between ships, offshore installation and shore stations. Coverage is from 1.6 to 3.8 Mhz and also in certain bands up to 25 MHz.

Receiver R700M is frequency synthesised and covers 15 kHz to 30 MHz in discrete bands. Frequency selection is by thumbwheel switches combined with a five-digit LED display, and resolution is to 10 Hz. The *receiver conforms to* Home Office specification MPT 1201 for a ship's main receiver.

Complete monitoring of distress calls in the range 494 to *506 kHz is possible with radio-*telegraph receiver AA 734. To reduce the possibility of false alarms in periods of severe interference, the alarm selector *is preset to operate after four* consecutive dashes of a distress signal. When the receiver is activated a warning device generates a penetrating audible *tone and* external bells are energised. IMRC is at Peall Road, Croydon CR9 3AX (01-684 7771).

The Property Market

BY QUENTIN GUIRDHAM

How the Artagen values emerged

It has been quite a week: GRA Property Trust produced a Scheme of Arrangement to pay off its debts through the dog track revenue and gradual disposals, the whole idea representing a remarkably constructive attitude by the ICI pension funds and other secured creditors and a lot of work by chairman E. J. Aaronson and advisers Barings; an Arab paid £1m. for a house and Arab-backed Lonrho £5.7m. for 29.9 per cent. of London City and Westcliff Properties, intending, so the word was handed down from "Tiny" Rowland, to become one of the major property vehicles in Britain, and incidentally doing a favour to creditors of the Israel-British Bank (London); English Property Corporation sold Eagle Star £55.5m. of U.K. properties; and Artagen said it was worth a cool 50p a share more than Sun Life was bidding (and the Kuwaitis have 6 per cent. of Artagen).

It is the last item which has stirred most controversy, and it was almost certain to, whatever the figures. Artagen had, in a small minority of property companies, had the courage to ask for a December, 1975, valuation to back its accounts. It received one which knocked its share price. That, to Sun Life, was a lucky coincidence, because the insurance company was unhappy about its commitment to lend Artagen cheap money. Sun Life bid, and since no one was in any doubt that we were in a rising property market, Artagen was bound to go for a revaluation even though the interval was only four months. This put Jones Lang Wootton very much on the line.

The results, which helped to push Artagen's assets per share up from 76½p to 89p in four months, have attracted some flack. Much of this is entirely attributable to the uninformative way in which property companies, even the more informative ones, produce these valuations to be studied by shareholders.

It is quite a long time since any serious investor was merely happy to be told what the sum total of a group's properties were valued at. One basic fact he wants to know is how the existing properties in a portfolio have performed, and to compare like with like. Trying to do this in virtually all accounts is a mixture of uncertain detection and guesswork. A portfolio is, of course, a changing entity, but to spell out the total attributable to acquisitions, completed developments and sales would produce figures which at least gave a guide line to compare the performance of one spread of properties against other market indicators.

That said, here is the truth about the JLW Artagen revaluation. It is, in detail, far less sensational than some interpretations have suggested.

On U.K. reversionary offices, the December and May figures are £21.725m. and £23.5m., a rise of 8.17 per cent. On U.K. office developments and refurbishments, £2.545m. became £3.035m., a difference of 18.25 per cent. which was attributable to some Stockport offices, let to the PSA, where the valuers in December would not take into account the value of tenant's works, not then complete. They are completed now and the full rent is now payable.

On U.K. industrial investments, £16.076m. became £17.87m., a rise of 11.16 per cent. Industrial developments showed a rise from £3.08m. to £3.65m., a 18.5 per cent. gain, the explanation here being lettings in Bedford and in Avonmouth. In the case of Bedford, there was the letting of 211,000 square feet to MFI, where JLW took the view that until the rent was in Artagen's hands they would take the cautious line with such a large chunk of warehousing (it made one of the largest single lettings of recent months).

On industrial sites there is also a sharp rise, from £705,000 to £1.1m., a 56 per cent. increase, which is partly general market demand but more particuarly, it seems, that the valuers reckoned that lettings were showing that the undeveloped land at places like Bedford was having its worth proved by adjacent lettings. On what are classified as sundries, which means secondary shops, residential, etc., there is a rise from £2.694m. to £2.710m., a gain of nearly 4 per cent.

1975's new acquisitions showed a slight rise from £1.332m. to £1.415m. (6.16 per cent. gain) and the 1976 acquisitions a drop of 2.9 per cent., having cost Artagen £2.565m. and being now valued at £2.490m., a difference which presumably reflects the purchase costs.

It is in the short leaseholds, previously valued by the directors, that the big jump comes, from £1.42m. to £2.79m., a 96 per cent. gain which means that in JLW's view Artagen's directors were much undervaluing these holdings.

That is one area where an interpretation of the independent valuer's figures perhaps needed some explaining, and the other is in the foreign properties, where the Montoyer office in Brussels, now just finished but not let, came into valuation for the first time rather than being shown at cost. JLW have valued it below cost, producing a 9.73 per cent. loss for Belgium; in France, where there have been some more lettings, there is a gain of 7½ per cent. and in Australia a gain of 6¾ per cent.

But the important fact overseas has not been anything to do with property values but with sterling. There is a currency gain of £1.4m.

There are a lot of figures to digest there, but they may be worth noting to show how nothing very surprising lies behind them. The market has improved, notably in areas where Artagen is represented. The specific change mentioned by JLW in its letter quoted in the defence document, the interest in reversions of five or seven years is, many people would say, a trend which has really only emerged since the start of the year.

Where the valuer's letter is open to a broader question is, perhaps, in the final paragraphs. There is no worry about them including a rent forecast: in fact under the new Take-over Code they should include this, and it involves certificating every rent review in the portfolio. (What the Code says is that "Where income from property is a material element in a forecast that part of the forecast should normally be examined and reported on by a valuer.")

But it may be questioned whether it is the valuer's business to say that "a ready made portfolio of properties of the quality and character of those owned by the group should *attract a premium over the sum* of the individual open market values."

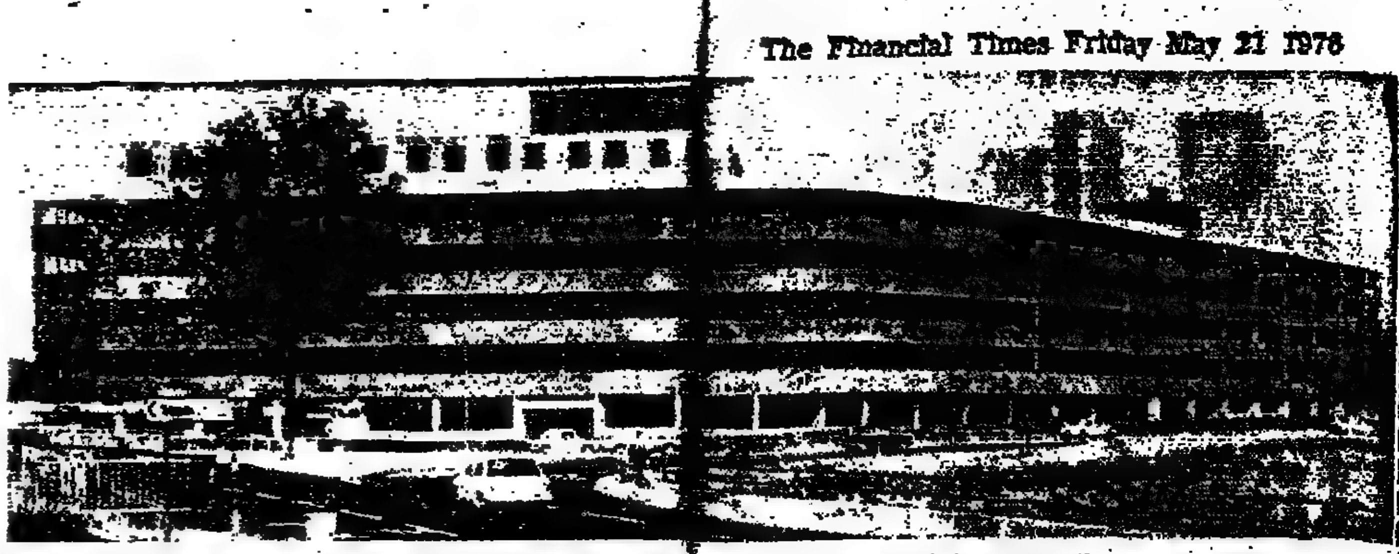
That is very much a judgment on the corporate market rather than the strictly property market in which the valuer works, even if other parts of an agency span a wider field. In this case it looks, even if this was not the intention, like a Stock Market judgment, and valuers certainly should not be mixed up with that.

But even when JLW's valuation is seen as nothing to be excited about once the full basis of it is known, what the fuss indicates is a problem which won't go away: the valuer's job is to report history, not to make it. In practice valuations do make history and influence markets (no one would deny that the Land Securities valuations of 1973 did not make history).

Perhaps it is worth noting, and the matter involves JLW again, that when Eagle Star and English Property were putting together their deal outside valuations were crucial because of the links between the two groups. Both sides say there were differences but both agree that none of the sums were so far apart that property had to be taken out of the sale.

Over the £55m. distance, the JLW total (they did all the work for EP) was within 1 per cent. of the figure agreed after Eagle Star had added up the sums from the five different agents it used on the various classes of property (Knight Frank & Rutley, St. Quintin's, Healey & Baker, Bernard Thorpe and Edward Erdman).

So it seems that valuers can still value, and we are not, touch wood, in a property boom.



As the institutions gain more confidence in properties and less in equities, the competition in the £2m. plus range is starting to get as hot as it was around the £1m. mark some months back. On the building above, 100,000 sq. ft. of offices in Warwick Road, Coventry, Hillier Parker May and Rowden got in early, starting negotiations nine months back on behalf of the GLC Superannuation Fund. They have paid around £2¼m. What attracted them was the covenant, the PSA, and the fact that Coventry is a very low rent area. The rent here is under £2 per sq. ft., but the initial yield still looks good, certainly by to-day's standards, and there must be lively hopes for the five-year review. Developers and vendors were City of London Securities.

OUT AND ABOUT

● Not quite as big as Gamages, where the buildings contract for the development is £16¼m., but another large central London scheme definitely going ahead is Commercial Union Properties' Caxton House redevelopment. It will be 200,000 square feet net of offices, pre-let to the Government which occupied the old building, plus 8,000 square feet of storage, car parking and a further 15,000 square feet for the National Westminster. Tenders are being considered for a start on July 1.

● Allied Breweries Pension Trust (agents Debenham Tewson and Chinnocks) has paid £2.25m. for a 120,000 square feet office in 2.5 acres at Mutton Lane, Potters Bar, Hertfordshire. It is let to the Midland Bank Trust and the Eastern Gas Board. First review is in 1980 and the sale followed prior agreement between the joint vendors, freeholders Esso Pension Trust and head lessees, English Property, both represented by Jones Lang Wootton.

● The pedestrian shopping development in Mold, Clwyd (which used to be Flintshire) has opened with 25 of the 29 units let by joint agents Healey and Baker and K. Hugh Dod and Partners. Development was by London Shop Property Trust in conjunction with Delyn Borough Council.

● Wiggins Teape's departure from London continues: it is now offering its 35 year lease from 1973 on 3/4, Lincoln's Inn Fields. There is 15,800 square feet and the asking rent is £135,000. There are five year reviews. Also part of the move to the new Basingstoke headquarters, to open in September, is the company's exodus from Croydon. The 33,000 square feet Butter[illegible] House went to Marryat Jackson Norris the engineers recently taken over by Sime Darby; A[illegible] House which is 32,000 square feet, is on the market; and Airport House, once the administrative block for the old Croydon Airport, has just gone to Allied Carpets, who took on the £8,000 a year lease to use this as a warehouse for its new retail store nearby. Strutt and Parker are the agents handling this major relocation.

INDUSTRIAL AND BUSINESS PROPERTY

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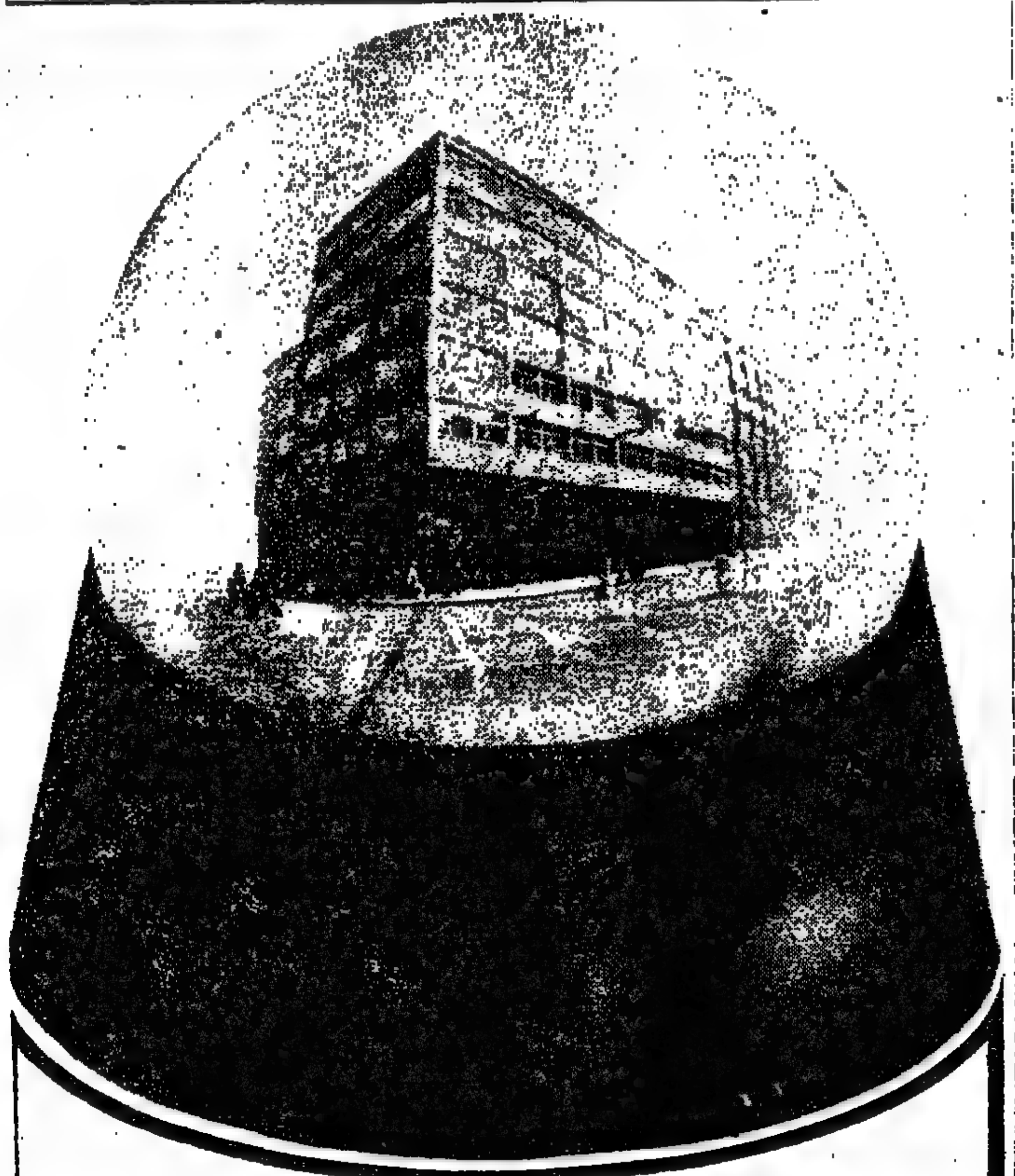

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Further details from:—

WALKER SON & PACKMAN
Chartered Surveyors
Blossoms Inn 23 Lawrence Lane London EC2V 8DD
Telephone 01-606 8111
Branches in Bristol Exeter Truro East Grinstead Edinburgh & Leeds and Overseas

12-22 Theobalds Road London WC1

Superb office accommodation in a restored Georgian terrace linked to modern open plan offices at the rear.

21,000 sq. ft. divided into 4 units from 2,200—8,100 sq. ft.

To Let

All enquiries Joint Sole Agents

WALKER SON & PACKMAN
Chartered Surveyors 01-606 8111
Blossoms Inn, 23 Lawrence Lane, London EC2V 8DD

SAVILLS
20 Grosvenor Hill, Berkeley Square,
London W1X 0HQ Telex 263796 Tel: 01-499 8644

Restoration undertaken by Haslemere Estates Limited

HIGH STREET, UXBRIDGE

14,000 SQ.FT. OF NEW OFFICES TO LET.

* On three floors, with automatic lift.
* Gas fired central heating.
* Attractive Entrance Hall.
* Good Car Parking.
* Close to Underground & Shopping Centre.
* Easy access to M4 & Heathrow and to the North via M40.

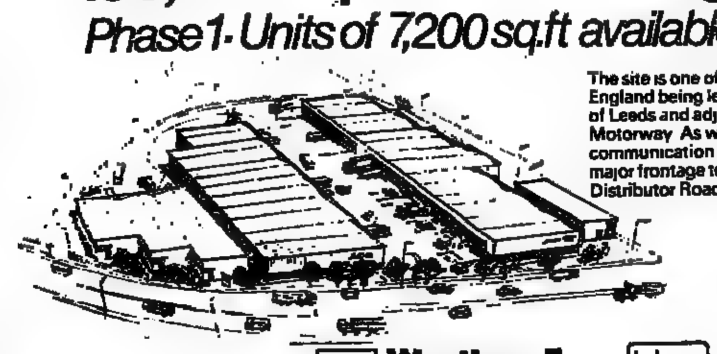
SOLE AGENTS:
Herring Son & Daw Chartered Surveyors,
26-28 Sackville St., London W1X 2QL
Tel. 01-734 8155.

dc
A DAVID CHARLES DEVELOPMENT

South Leeds Industrial Estate

150,000 sq.ft Warehousing To Let

Phase 1 · Units of 7,200 sq.ft available end 1976



The site is one of the best placed in the North of England being less than a mile south of the centre of Leeds and adjacent to Junction 46 of the M1 Motorway. As well as having first class road communication the Estate has the benefit of a major frontage to the Hunslet Motorway Distributor Road (A61).

A development by ICFC Developments Limited

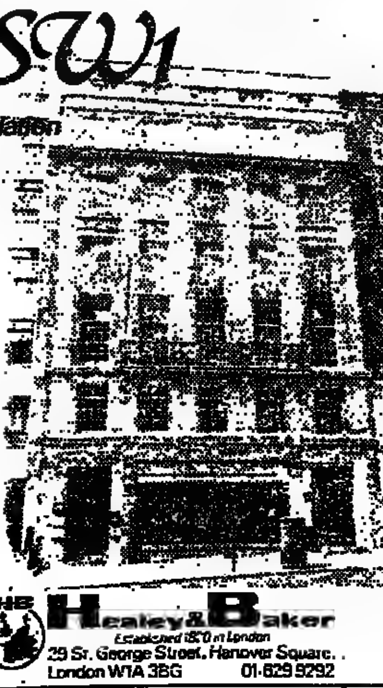
Joint Letting Agents

Weatherall Hollis & Gale
29 King Street Leeds LS1 2HP
442066

hbp Howell Brooks & Partners
Royal Exchange House City Square, Leeds 1.
36461

St James's St. SW1

prominent ground floor accommodation



Suitable for bank, building society, airline etc.

1700/3000/4800 sq.ft.

Agents

DE & J LEVY
01-930 1070
Estate House, 130 Jermyn Street, London SW1Y 4UL

Healey & Baker
Established 1820 in London
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WANTED
FREEHOLD OFFICE PREMISES
LONDON W.1., W.2., N.W.

A London professional firm requires for its own occupation small freehold office building of 1,000-1,500 sq. ft. Prepared to renovate if necessary.
The area considered would be northern W.1. eastern W.2 and northwards to St. Johns Wood, Swiss Cottage and Camden Town.
Contact Paul Lewis: 01-734 7701

Offices
Office sites
Factories
Warehouses

Telephone:
0733-68931 Ext 326
Chief Estates Surveyor
Peterborough Development Corporation
PO Box 3 Peterborough PE1 1UJ

Announcing the new
ARGYLE TRADING ESTATE
300 yards M.40

LOUDWATER, HIGH WYCOMBE, BUCKS

Available in
Units of 4,000 sq. ft.
Up to 163,000 sq. ft.
Warehousing with Offices

SMITH MELZACK
8, CORK STREET,
LONDON W1
01-439 0531

HAMNETT RAFFETY
30 HIGH STREET,
HIGH WYCOMBE, BUCKS.
0494 21234

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Jones Lang Wootton are seeking prime SHOP, OFFICE & INDUSTRIAL INVESTMENTS for retained clients

SALE & LEASEBACKS
REVERSIONARY INVESTMENTS
DEVELOPMENT SCHEMES

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Chartered Surveyors
International Real Estate Consultants
103 Mount Street London W1Y 6AS
Telephone 01-493 6040 Telex 23858

Contact
J.A.S. Bassett, F.R.I.C.S.
R.S. Broadhurst, A.R.I.C.S.

Brentwood

Becket House

To Be Let 69,000sq.ft.

Air-conditioned Offices

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Chartered Surveyors
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Tel: 01-493 6040. Telex 23858

22/23 Austin Friars EC2

Offices To Let 10,400 sq.ft. approximately

- Self-contained
- Air-conditioned
- P.A.B.X. Switchboard
- Lift
- Panelled Boardroom

JONES LANG WOOTTON
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Tel: 01-606 4060

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Prime Industrial Investment at Deansgrange, Dublin

Producing £90,865 p.a.

Arising from five units let to major tenants including 3M, Trebor Sharps Limited and P. J. Carroll Limited.

Offers on a basis of leaseback at 90% of rent level

Details from:

JONES LANG WOOTTON
Chartered Surveyors
60/63 Dawson Street, Dublin 2. Tel: 771501
103 Mount Street, London W1Y 6AS
Tel: 01-493 6040. Telex: 23858

LISNEY AND SON
23/24 St. Stephen's Green, Dublin 2
Tel: 764471
1-3 Donegall Square, Belfast. Tel: 42380

On the Instructions of the Executors of the late Princess Chula Chakrabongse.

HELLAND BRIDGE
CORNWALL

Camel Estuary 6 miles

A fine opportunity to acquire a substantial Country House for private occupation or for institutional or other purposes.

Superb undisturbed rural position, 3 principal Reception Rooms, 5 principal Bedrooms, Dressing Rooms and 3 Bathrooms. Rear section with 2 main Rooms, 3 Bedrooms, Dressing Room and Bathroom. Top Flat with 3 rooms, Kitchen and Bathroom, 2 office rooms and stores under. 9 acres superb woodland, gardens and paddock (further land additionally available). Swimming Pool. Garden Chalet.

OFFERS INVITED FOR THE FREEHOLD

In addition, superb STABLE BLOCK with 3 bedroomed Maisonette, 3 roomed Flat, 5 Garages and Outbuildings.

Further details from the Joint Sole Agents:—

STRATTON & HOLBOROW
Chartered Surveyors,
Lemon Villas, Truro, Cornwall.
Tel. Truro 4646-8.
and
BUTTON, MENHENITT & MUTTON
Auctioneers & Surveyors,
Belmont House, Wadebridge, Cornwall
Tel. Wadebridge 2131.

130,000 SQ. FT.

Peterborough

City of well balanced and active expansion

ESTABLISHED FACTORY
130,000 sq. ft. (12,077 m²)
FOR SALE FREEHOLD WITH VACANT POSSESSION
(May divide)

Single storey throughout, heated and serviced to modern requirements to include Offices and appropriate loading facilities.

Peterborough adjoins the A1, is serviced as is the property by excellent Ring Roads.

Berry Bros & Legge
31 MARKET PLACE
KETTERING
Tel. 517796

SUBSTANTIAL MILL PREMISES

APPROX. 171,000 SQ. FT.

Multi and single storey buildings, canteen, detached office building, heavy duty electricity, all services, central heating, part air-conditioned. Large parking area (about 2 acres) for vehicles. All enclosed by newly erected security fence. Situate main Manchester-Oldham road, 5 miles Manchester, 3 miles M62. For sale or would let in units on lease from 10p sq.ft. to suitable tenants or would consider single tenant for the whole package circa £25,000 p.a.

Interested parties please contact:—
Mr. Geo. Howarth,
phone Shaw 47514, or
Mr. Lane, 061-652 5421
for appointment to view.

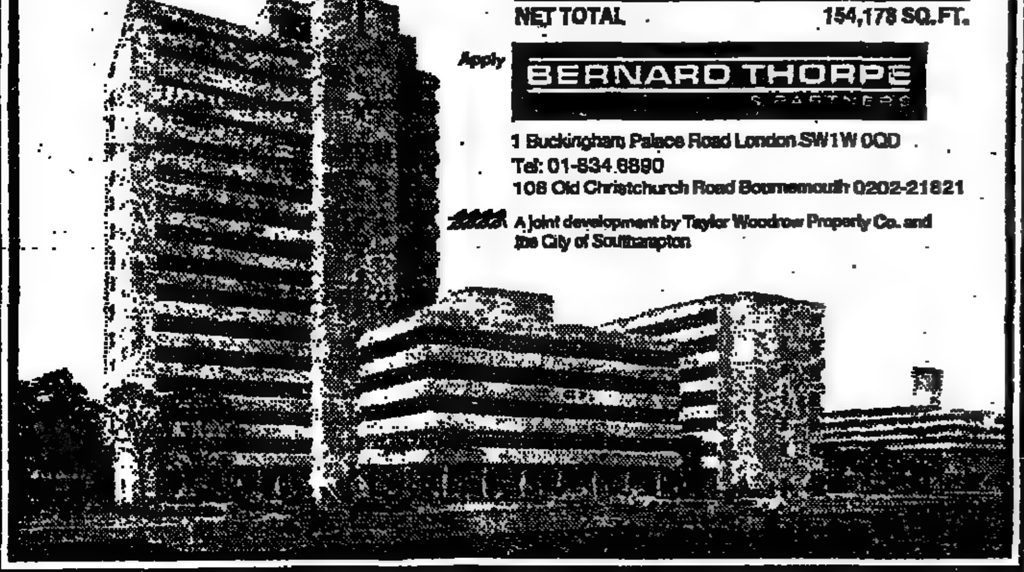
SOUTHAMPTON NELSON GATE

A SUPERB DEVELOPMENT OF MODERN AIR CONDITIONED OFFICES ADJOINING CENTRAL STATION

PHASE 1 AVAILABLE NOW	
6 FLOORS EACH 11,899 SQ.FT.	71,334 SQ.FT.
PHASE 2 AVAILABLE JUNE	
3 FLOORS EACH 4,050 SQ.FT.	12,150 SQ.FT.
PHASE 3 AVAILABLE JULY	
14 FLOORS EACH 4,836 SQ.FT.	70,694 SQ.FT.
NET TOTAL	154,178 SQ.FT.

Apply BERNARD THORPE & PARTNERS
1 Buckingham Palace Road London SW1W 0QD
Tel: 01-834 6890
108 Old Christchurch Road Bournemouth 0202-21821

A joint development by Taylor Woodrow Property Co. and the City of Southampton



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27 Creechurch Lane

E.C.3.
Refurbished Office Building
Approx. 3,085 sq. ft.
To Be Let
Close to Lloyds & Baltic Exchange

JONES LANG WOOTTON
Chartered Surveyors
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Tel: 01-606 4060
Telex: 885557

Immaculate self-contained office building

Finchley Road NW3

Close to station
To Let
or freehold for sale
2,430 sq. ft.

Joint sole agents
Fletcher King & Megran
10-12 Cork Street London W1 01-734 7701
Ernest Owers & Williams
The Hampstead Estate Offices, 112 Finchley Road, NW3 5JJ

TO LET in Ingatestone, Essex

Offices in Central Essex commuter area.
3500 sq. ft. – 7350 sq. ft.
A first class building constructed to high standards with ample car parking.
For further information apply to:
COUNTRYSIDE PROPERTIES, 81-87 High St Billericay, Essex CM12 9BM Tel: Billericay (02774) 22686
Or selling agents:
BAIRSTOW EVES, Prosperity House 75 High St Brentwood, Essex CM14 4RW Tel: (0277) 226222.
available July 1976

COUNTRYSIDE

OLD BROAD ST., E.C.2
OFFICES TO LET
850 SQ. FT.
Close to the Stock Exchange and the Bank

ALL ENQUIRIES:—
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Chartered Surveyors
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Telephone 01-236 3000 Telex 885485
Manchester · Leeds · Brussels

LOW COST · HIGH QUALITY CITY OFFICES
2100 - 4200 SQ. FT.
Beautiful Entrance - Lift - Central Heating
in the Banking/Insurance Area—READY NOW

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SALISBURY
GEORGIAN OFFICE BUILDING
Adjoining the Old George Mall and Multi-Storey Car Park
TOTAL NET FLOOR AREA
6714 sq. ft.
Arranged on three floors
TO LET

MYDDELTON & MAJOR
49, High Street,
Salisbury, Wilts.
Tel. (0722) 6211

ROCHDALE LANCS.
FACTORY WAREHOUSE FOR SALE
9,500 sq. ft. approx.
Wrather & Co.
20/21 Albert Square, Manchester M2 5PE. Tel. 061-833 9991.

NORTH LONDON
15-30,000 SQ. FT.
Modern single storey
Good loading
VICTOR MITCHELL & CO.
9-15 Neal Street, WC2
01-836 2126

FACTORIES AND WAREHOUSES

CLOSE TOWER BRIDGE
LONDON, S.E.1.
WAREHOUSE/LARGE SHED PREMISES
Lease for Sale
Headroom approx. 25 ft.
10,300 SQ. FT. APPROX.
Terms on application to
Sole Agents:
FRANK G. BOWEN LTD.,
15, Greek Street,
Shaftesbury Avenue,
London, W.1.
Tel. 01-437-3244. Ref. ALS

DISTRIBUTION DEPOT
Adj. Western Avenue (A.30)
GREENFORD, MIDDX.
Site area 0.44 acres with Storage—3,400 sq. ft. Offices—2,150 sq. ft. Covered Yard—4,000 sq. ft.
FOR SALE FREEHOLD
(OR TO LET)
FARR BEDFORD
41, THE BROADWAY, W.5.
01-579 9282

24,500 SQ. FT.
WAREHOUSE
NEAR
LONDON AIRPORT
RENT UNDER
£1.00 Per SQ. FT.
HAMNETT RAFFETY
HIGH WYCOMBE
0494 21234

LEASE FOR SALE
19,000 sq. ft.
At 15p per square foot
TREFOREST INDUSTRIAL ESTATE, NR. CARDIFF
Apply:
JOHN FOORD & CO.,
Factory Agents - Industrial Valuers
61 Queens Gardens,
London, W.2.
Tel: 01-402 8366/8361

24,500 SQ. FT.
WAREHOUSE
NEAR
LONDON AIRPORT
RENT UNDER
£1.00 Per SQ. FT.
HAMNETT RAFFETY
HIGH WYCOMBE
0494 21234

S.W. LONDON
FOR SALE FREEHOLD
18,000 SQ. FT.
L/Industrial/Storage Premises
Price £125,000 F/H
STURGIS & SON,
188A Upper Richmond Road,
Putney, S.W.15.
Tel: 01-788-0165

50,000 SQ. FT.
OF WAREHOUSE/STORAGE
Distribution facilities available. Services include full mechanical handling equipment, fork trucks, overhead cranes, dock levellers, etc. Stock control, full 24 hour security, 20 miles north London. Tel. 0920-870341, Mrs. Jones.

HIGH WYCOMBE. Modern single storey factory and offices of 26,000 sq. ft. adj. M40, close M4. All services inc. gh For Sale. CRUICKSHANKS. Commercial Department, 28 High Street, High Wycombe (0494) 23701.

KEW—3,000 sq. ft. modern light industrial/office/warehouse. £3,000 per annum vacant June. Tel: 01-876 4401.

NOTTINGHAM. Centre 1½ miles, first class 1975-built WAREHOUSE, net usable floor area 28,000 sq. ft. including offices. 18' eaves height, excellent loading, on site parking. TO LET or FOR SALE. NEALE & SON, 30 Bridlesmith Gate, Nottingham. Tel: 53511.

NOTTINGHAM: Industrial or Warehousing Units from 8,000 to 60,000 sq. ft. with extensive loading and parking areas. Competitive rentals. Cavanagh & Co., 92 Friar Lane, Nottingham (0602) 40747.

SE LONDON 18,800 sq. ft. Lofty s/e Factory or Warehouse Bldg. In good condition. Open floor space. Good Loading. Rent £17,500 p.a. Michael Kalmar & Co. 01-236 6871.

7,800 SQ. FT. light industrial + 800 sq. ft. offices also residential flat and spacious yard. Ickenham, Middx. Offers near £100,000 invited for Freehold—Ferrari, Dewe & Co., 01-427 4288.

BUILDING LAND AND SITES

SOUTH DEVON
Coastal development site for 14 residential units — Stoke Lodge, Stoke Fleming, Nr. Dartmouth, outline planning consent for 8 houses & 6 flats in 1.42 acres for auction (unless sold previously) 24th June at Royal Castle Hotel, Dartmouth. Details auctioneers Letcher & Scorer, Duke St., Dartmouth (Tel: 2223) and 7 Fore St., Kingsbridge (Tel: 2516).

BUSINESSES FOR SALE and BUSINESSES WANTED appear to-day on page 16

Gloucester

INDUSTRIAL PROPERTY

264,000 sq ft on 5·9 acre site

FOR SALE FREEHOLD

Sole agents:

MATTHEWS & GOODMAN

Malvern House
72 Upper Thames St. London EC4R 3UA
01-248 3200

DACRE HOUSE

19 DACRE STREET, LONDON SW1H 0DJ
16,285 SQ. FT. TO BE LET

DUE FOR COMPLETION SHORTLY

This fine prestige building, situated just off Victoria Street, will be finished to a high standard throughout and will provide 11,255 sq. ft. of offices, 4,230 sq. ft. of ground floor and basement shopping space and a fifth floor flat.

Outstanding features include:
■ Fully air-conditioned offices ■ High Speed Automatic Lift
■ Close to Victoria Street, St. James's Park underground station and main bus routes ■ Parking

For full details apply to:
THE LAND SECURITIES INVESTMENT TRUST LIMITED
DEVONSHIRE HOUSE, PICCADILLY, LONDON W1X 6BT TEL: 01-493 4433

HIGH HOLBORN
W.C.1 (adj.)
Newly Modernised Self-Contained Building
SQ. 3,420 FT.
LIFT & C.H.

BROMPTON ROAD
S.W.3 (Close)
Newly Built Prestige Offices
SQ. 3,330 FT.
LIFT, C.H. & PARKING

MOSS & PARTNERS
TILNEY HOUSE, 5, TILNEY ST., W.1.
01-629 9933

BY ORDER OF THE MORTGAGEES

BILSTON-STAFFS
59/61 CHURCH STREET
SHOP—2,000 sq. ft.
VACANT POSSESSION
Freehold—£35,000

BROMSGROVE-WORCS
7, HIGH STREET
SHOP
VACANT POSSESSION
Freehold—£25,000

FREEHOLD INVESTMENT
FAVERSHAM-KENT
SHOP PREMISES
LET F.R. & I. LEASE
15 years with reviews
RENT—£3,000 p.a.
PRICE—£25,000

WILLETT 7 LOWER SLOANE STREET LONDON S.W.1. 01-730 3435

Property People since 1899

FACTORIES AND WAREHOUSE

HACKNEY E8
New light industrial premises approx 5,930 sq.ft.
TO LET

HACKNEY E8
Factory/Warehouse approx 7,850 sq. ft.
FOR SALE FREEHOLD

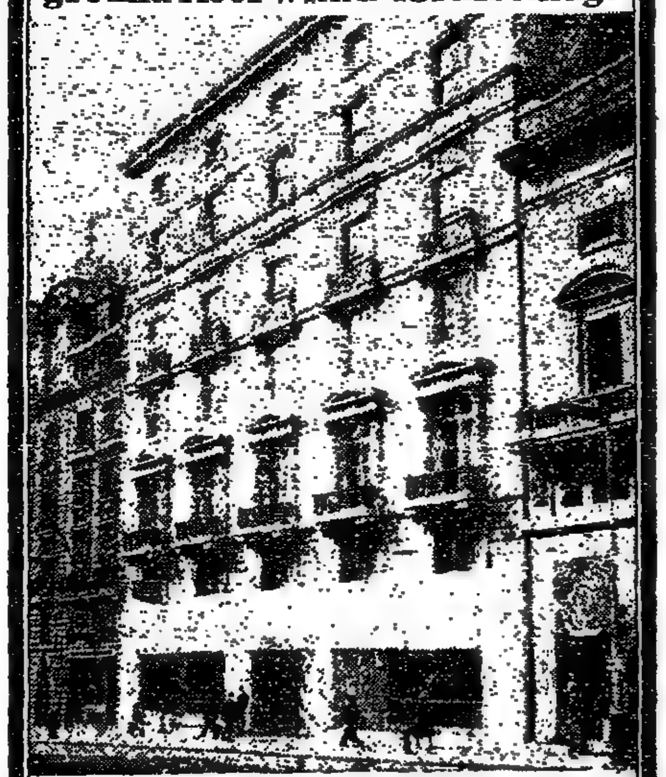
LONDON E9
New factory units approx 11,800 sq. ft.
TO LET

LONDON E14
Modern single storey factory approx 17,500 sq. ft.
TO LET OR FOR SALE FREEHOLD

Bairstow Eves
Aldermans House, Aldermans Walk, Bishopsgate, London EC2M 3UL Telephone 01-623 1351

Cunard House
Lower Regent St., SW1

Within a stones throw of Piccadilly Circus
17,800 sq.ft. of magnificent offices to let including a spacious ground floor with a 48ft. frontage



Up to a further 40,000 sq.ft. available
Sole Agents
DE & J LEVY 01-930 1070 Estate House, 130 Jermyn Street, London SW1Y 4UL

The **Fountain Precinct** SHEFFIELD

180,000 sq.ft. office, banking and showroom complex

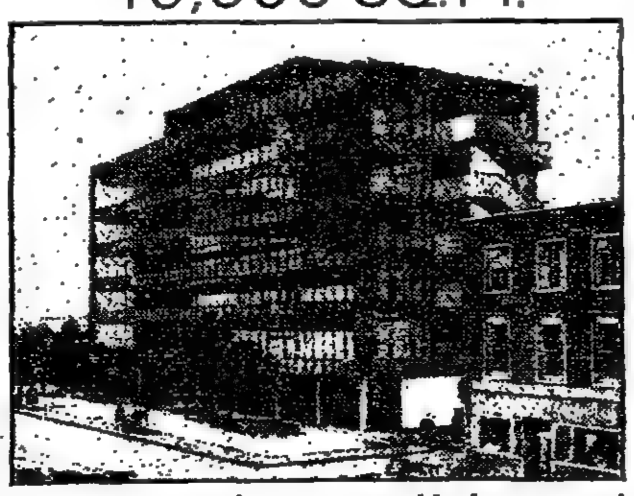
Various sized office units available for letting
*Full air-conditioning
*Bronze tinted glass
*Double glazing
*Six high speed lifts
*Parking for 100 cars
*Landscaped piazza
*Showrooms & restaurant

A project by Gauntlet Developments Limited
A Hough Bristol Company

ELR *For further information please contact:*

Eadon Lockwood & Riddle
Chartered Surveyors Estate Agents Established 1840
Head Office: 2 St. James Street, Sheffield S1 1XJ Tel: 0742-71277
Members of Property Agents International Limited
Associated offices throughout the U.K. and overseas

SOUTHWARK, SE1.
APPROX.
45,000 SQ.FT.



A new air-conditioned office building TO LET

Joint Sole Agents

Robert Cutts & Co. CHARTERED SURVEYORS
64, Cannon Street, London EC4N 6AD
Tel: 01-236 4606

JONES LANG WOOTTON Chartered Surveyors
33, King Street, London EC2V 8EE
Tel: 01-606 4060

Dunster House, E.C.3

Ground Floor Offices — £7.60 per sq. ft.

1,695 sq. ft. — 2,640 sq. ft. — 5,421 sq. ft.

(Lease 1986—Rent Review 1981)

NEWTON PERKINS & FORBES 01-488 4421
10 NORTHUMBERLAND ALLEY FENCHURCH STREET LONDON EC3N 2EP

Chancery Lane
(just off)

Modernised offices
TO LET
12,130 sq ft
or in floors from
3,885 sq ft

Joint sole letting agents:

MATTHEWS & GOODMAN
Malvern House 72 Upper Thames St. EC4R 3UA
01-248 3200

Weatherall Green & Smith
22 Chancery Lane London WC2A 1LT
01-405 6944
AND LEEDS PARIS NICE & FRANKFURT

CROSBY HOUSE
BROMLEY
KENT
4,100/8,200 sq.ft.
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Joint Agents

ALLSOP & CO Real Estate
21 Soho Square London W1V 6AX
01-437 6977

Parnis Bird & Partners
CHARTERED SURVEYORS
42 Hertford Street, Mayfair, London, W1Y 7TF
01-491 2959

OFFICES VICTORIA SW1
(opposite the station)

Two air-conditioned suites in a completely re-furbished building

TO LET
6,000 sq ft long term
1,740 sq ft short term

GOODMAN MANN ASSOCIATES
31 St James's Place London SW1A 1NR
01-499 8231

FOR INVESTMENT

Westcliff-on-Sea Essex

Modern Supermarket in good shopping area, totalling 9,900 sq. ft., let to public company at commencing rental of £8,662 p.a.

FREEHOLD £105,000.
subject to contract.
Joint Agents:
Goddard & Smith,
22, King St., St. James's, London S.W.1. 01-930 7321
Denis Donovan & Co.,
7, Park Place, Cardiff
Tel. (0222) 44655

Nr. MAIDSTONE
Recently completed Freehold Industrial Investment
FOR SALE BY AUCTION
REVIEW 1977 -
PRODUCING £52,944
GRIMLEY & CO. LTD.,
7 Warwick St., Worthing BN11 3DF
Tel: Worthing (0903) 35186/7

BRADFORD, YORKS. Ivegate — entire building in excellent shopping position, let to menswear multiple at £3,100 p.a. excl. with valuable rent review in 2 years. Price £33,500 f.h. Principals and Retained Agents apply owners. Asda Securities Ltd., 1 Cricklewood Broadway, NW2. 01-452 7683.

CHISWICK HIGH ROAD, W4. 2 adjoining substantial buildings with shop, office & showroom uses, let at Ground Rent of £35 p.a. until 1999. Estimated rental value today—in excess of £14,000 p.a. therefore enormous capital gain assured. Price £20,000 freehold. Asda Securities Ltd. 1 Cricklewood Broadway, London NW2. 01-452 7683.

FARNBOROUGH, HANTS. Modern retail store with car park close Queensmead let to substantial tenant at £20,500 p.a.x. FRI 5 year rent reviews. Freehold for sale to show 10% gross. Phone Mr. Baybutt 01-493 4826.

SHOPS AND OFFICES

ASCOT
1,600 SQ. FT. (Net Usable)
£9,600 p.a.
Luxurious ground floor prestige office suite in country mansion of great charm and character in extensive well maintained grounds. Totally renovated to the highest standard and fully carpeted throughout.
Full central heating ● Burglar alarm direct to police ● Ample car parking ● Own stand generator ● 10 mins. to M3 or M4 ● 35 mins. Central London ● 2 mins. Ascot Station ● Quick access to M1 & South ● 20 mins. London Airport
Plentiful of local labour — substantially below London salaries. Rates only 45p per sq. ft.
For full information call Gerald Usher on 0990 (Ascot) 23377

W.1
FITZROY ST. 4,380 sq. ft. completely rebuilt to high standard. Rent £25,000 p.a.x. Freehold available.
GLOUCESTER PLACE. 2,030 sq. ft. prestige suite. Rent £15,000 p.a.x.
FITZROY SQ. Building. 7,697 sq. ft. Rent £63,000 p.a.x. Freehold available.
SEYMOUR PLACE. 6,000 sq. ft. superb refurbished space. Rent '9' p.a.x. Long lease with 5 year rent reviews.
Apply: Nigel Genis
MENDOZA
39 CRAWFORD STREET, W1
01-935 8341

OLD KENT ROAD, SE1
Busy Corner Position with

Total Road Frontage of	108 ft.
Shop/Showroom	2,264 s.f.
Basement Stores	1,610 s.f.
3 Floors of Offices above	2,697 s.f.

NEW LEASE
Rent £15,000 p.a.x.
BIRRANE & PARTNERS,
01-407 6486
(Agents Co-operation welcome)

MITCHAM ROAD, TOOTING.
Main road first floor suite of offices about 850 sq. ft. Ideal for Solicitor or Accountant. Rent £1,050 per annum, no premium.
WIMBLEDON COMMON
Offices and workshops about 5,000 sq. ft. All ground floor. rent £4,500 per annum. Lease negotiable. No premium.
PITT & SON,
244, Merton Road, S.W.19.
Tel: 542 1289/3130

Property People since 1899

OFFICES TO LET
6,700 sq. ft. (will divide)
FACTORY TO LET
10,800 sq. ft. with covered yard 1,000 sq. ft.
Joint Agents:
91 Southwark Bridge
London SE1 - Tel: 407 6486

Bairstow Eves
Aldermans House, Aldermans Walk, Bishopsgate, London EC2M 3UL
Telephone 01-623 1351

AMERSHAM — Modern selfcontained office building, 1,500 sq. ft. two floors (ground and first), central situation close to station and adjoining main shopping area. To lease, or freehold available. Details: Smith & Company, tel. High Wycombe 35571.

EALING, W.5. Entire building 7,000 sq. ft. to rent at £4 per sq. ft. Good parking. Morley & Co. 01-579 6661.

RUGBY. Town centre. Shop premises. 20ft. frontage 60ft. depth. Freehold £18,000 DON WILLIS AND ASSOCIATES 29 Regent Street Rugby. Tel 73117.

SLOUGH—Office building for Sale with car parking. 700 sq. ft. approx. Close Slough Town Centre & M4 Motorway. For details apply: A. C. Frost & Co. 3 High Street. Windsor. Tel.: Windsor 54555

IDEAL H.Q. OR REGIONAL H.Q.
of about 10,000 ft. in new building with impressive 85 ft. frontage to Grays Inn Road. Will sell site only now or completed building with v.p. in about 18 months at very reasonable price for immediate deal. Will also suit Insurance Company, Stockbrokers, Accountants, etc.
Enquiries to:
SYDNEY LOBATTO,
Estate House, Marine Parade, Brighton, East Sussex.
Tel: (0273) 683342.

DUKE STREET W1
Approx. 2,500 sq. ft. on 3 floors: Rent £15,000 p.a. to end lease Feb. 1980. No premium for assignment. Own entrance, entryphone, recently decorated, near to Central Line. small sum for fixtures. Early completion.
Phone Bill Whitaker
01-629 8322

SUBSTANTIAL HEADQUARTERS building with high office content. Very close to City offered for sale freehold. Floor area 16,000 sq. ft. approx. Good parking potential. Enquiries Box T.4333 Financial Times. 10, Cannon Street. EC4P 4BY.

WINDSOR. Central prominent position. Shop and ancillary offices for sale or to let. Car parking to rear. Double display frontage to main shopping street. For details apply: A. C. Frost & Co., 3 High Street Windsor. Berks. Tel. Windsor 54555/8

INTERNATIONAL PROPERTY

RECEIVER'S OFFICE
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PARLIAMENT

MPs force reduced seat belts penalty

THE PROPOSED maximum fine of £50 for failure to wear a car seat-belt was over-ruled in a Commons Standing Committee yesterday.

Three Labour MPs voted for an Opposition move reducing the figure to £10 despite a warning by Dr. John Gilbert, Transport Minister that the law would be "brought into disrepute."

Voting on the amendments to the Road Traffic (Seat Belts) Bill was 10 to seven.

Dr. Gilbert said the reduction would make the public think a seat-belt offence was trivial and lead to courts imposing fines of £1 or £2. No current offences committed in a vehicle carried a maximum fine of less than £50.

Dr. Gilbert added: "It would be very difficult to explain to the public why an offence of not wearing a belt was less serious than, say, not wearing a crash helmet."

Mr. Norman Fowler, Opposition spokesman, described the forecast of £1 fines as absurd. "This law depends on public acceptance. It will be difficult to enforce. If it does not get that kind of acceptance, it will be unenforceable."

● About 4 per cent. of the population would be prepared to break the proposed law making the wearing of car seat belts compulsory, according to a study by Research Surveys of Great Britain.

Howell replies to cricket tour critics

Tories shown to have applied Rhodesia ban

BY JOHN HUNT

TORY MPs were briskly bowled out by Mr. Denis Howell, Minister of Sport, in the Commons yesterday when they tried to mount an attack over his decision to ban a British tour by the Ridgebacks, a Rhodesian cricket eleven.

To the delight of Labour backbenchers, he produced a whole *list of ill-assorted Rhodesian* teams which the previous Tory administration had similarly prevented from playing in the U.K., and of British teams which they had stopped from visiting Rhodesia.

The list included entrants for the 1971 world ploughing contest and the 1971 Admiral's Cup Yacht Race while, in the following year, a Rhodesian team had been forced to withdraw from the World Bowls Championship and a visit to the U.K. by their hockey team had to be cancelled.

In 1973, the Womens' Squash Rackets Association and the Amateur Basketball Association had called off visits to Rhodesia at the request of the Tory Government.

Faced with this indictment, Mr. Hector Monro, shadow Minister, had to content himself with a feeble protest about the last-minute nature of the Minister's decision and an allegation that he had blown the matter up out of all proportion.

But some of the Tory backbenchers had no such qualms. Mr. Stephen Hastings (C., Mid-Bedfordshire) *saw it as typical* of the spite which the Foreign Office had long manifested towards Rhodesia. He wanted to know what contribution this "demeaning and petty" decision would make towards an agree*ment with the Smith regime.*

However, Mr. Howell effectively silenced him by observing that the Tory administration seemed to have been better at catching Rhodesian sportsmen who were trying to get into Britain while the Labour Government had been more honest in letting people know about it.

Reversal

Mr. Jo Grimond, who has just returned to the leadership of the Liberal Party after nine years as a backbencher, startled the House with a forthright demand that all foreign sports teams should be allowed into Britain regardless of the politics of their country.

In announcing this sudden reversal of Liberal policy, he was presumably ignoring the leading role played by the Young Liberals and Mr. Peter Hain in the campaign to stop the U.K. tour by the South African rugby team.

He argued that it was no excuse for the Government to ban the Rhodesian cricketeers merely *on the grounds that the* Conservatives had been the first to commit this act of "ludicrous folly."

"Isn't it time we dropped all this and accepted that the people who come here to play games may not be very important, and should be allowed to come?" he asked.

A surprised Mr. Howell told him that this was not the view that the Liberals had put forward previously in the Commons. On the contrary, he thought it would be ludicrous to declare the Rhodesian regime illegal, to impose trade sanctions against it and then play games against Rhodesian teams.

At the same time, he emphasised that the Rhodesians were not in the same category as South Africa. The Rhodesians did not practise apartheid in sport. They were banned because their Government had declared UDI.

In a final slap on the wrist to the Smith regime, he declared: "If people persist in living an illegal existence they cannot expect to claim the normal social niceties of life to be made available to them."

Minister calls for low pay analysis

FINANCIAL TIMES REPORTER

THE ROYAL Commission on the distribution of income and wealth is to be asked by the Government to make a comprehensive and objective analysis of incomes at lower levels which is expected to cover about the lowest 25 per cent. of income recipients.

This was announced in the Commons yesterday by Mr. Albert Booth, Secretary for Employment, when he outlined the proposed terms of reference to the Commission.

The three main points are:

1—To analyse the present position in the levels and distribution of such incomes from all sources before and after tax, in relation not only to individuals but also to households and *families.*

2.—To analyse past trends in such incomes, including trends in low pay generally since the National Board of Prices and Incomes report in April, 1971.

3.—To examine the economic, social and other factors which give rise to low incomes, both inclusive and exclusive of incomes, derived from social security benefits.

Mr. Booth said he was inviting any comments on these proposed terms of reference to be sent to the Department of Employment by June 9.

He also stated that the Government would welcome a progress report from the Royal Commission within one year of the reference being made

Jenkins explains faster intake of immigrant quota

UNITED KINGDOM passport holders are being allowed into Britain somewhat faster but not above the 5,000 annual quota, Mr. Roy Jenkins, Home Secretary, said in the Commons yesterday.

He agreed with Conservative backbencher, Mr. John MacGregor (Norfolk S) that it was highly desirable for these immigrants to be able to support *themselves straight away.*

Mr. Jenkins said: "The reason we are having them in somewhat faster but not above the 5,000 quota is that if they are thrown out of work because of discriminatory policies there is more danger that they will be unable to support themselves."

Mr. Jenkins also agreed that there had been considerable resentment about the much-publicised case involving immigrants from Malawi who had stayed in a four-star hotel. This was an isolated case.

It was easy to criticise but "I do not think that the local *authority handled it particularly* well." He was aware of the problem and was anxious that it should not have unfair repercussions on other immigrants.

Most U.K. passport holders from African countries were very well able to support themselves.

Mr. Peter Hordern (C. Horsham and Crawley) complained that it was wrong to criticise West Sussex County Council and "quite intolerable" that any local authority should be made responsible for carrying out a national policy.

He had the strongest objection to allowing into this country *immigrants who became immedi*ately dependent on social security.

Mr. Jenkins said that the Government wanted to deal with this limited but difficult problem in an orderly way so that the people who arrived were able to support themselves.

Mr. Sydney Bidwell (Lab, Southall) said that the story of the Malawi Asian family had been "ballooned out of all proportion." He declared: "There is nothing in principle against a *destitute British passport-holding family being accommodated* in a swanky hotel in West Sussex for a limited period provided they have a legitimate right to be in this country."

Mr. Tim Renton (C., Mid-Sussex) said the possession of a U.K. passport should not be that of a passport to the social services. Reception of a large number of immigrant families placed an intolerable strain on local authorities and this should be dealt with nationally.

Mr. Jenkins gave an assurance that anything approaching a major problem would have to be dealt with on a national basis.

But he warned that to set up an elaborate national organisation to deal with limited *numbers would be "bureaucracy* run mad and not sensible future planning."

MPs study direct elections

By Philip Rawstorne

A COMMONS Select Committee yesterday invited outside bodies and individuals to make written submissions on the proposed *direct elections to the European* Assembly.

The Select Committee on Direct Elections hopes to make an interim report to Parliament before the issue again comes before the EEC summit meeting on July 12.

Its inquiry will concentrate initially on questions of the size and composition of the Assembly, including the distribution of seats in the United Kingdom, the date of the first elections, the period for which the Assembly *should be elected* and the *status* of its members.

The inquiry will consider whether an MP should be entitled to sit both at Westminster and Strasbourg.

Members of the committee will take evidence next week from Foreign Office officials and will also be taking written evidence from the main political parties, local authority associations, the Scottish and Welsh Councils, the CBI, TUC and the universities.

Johnston is fourth candidate

By Philip Rawstorne

MR. RUSSELL JOHNSTON, MP for Inverness, yesterday became the fourth Liberal MP to announce that he would be a candidate in the party's leadership election.

Mr. David Steel, Mr. John Pardoe and Mr. Emlyn Hooson have already indicated that they will enter the contest due to be held after a special Liberal Assembly has approved new *election procedures next month.*

Mr. Johnston, who is 43, is leader of the Scottish Liberal Party. He has been a member of the European Assembly and party spokesman on foreign affairs and defence.

Next week's business

COMMONS business next week is:
MONDAY: Private members' motions; opposed private business.
TUESDAY, WEDNESDAY and THURSDAY: Aircraft and Shipbuilding Industries Bill, remaining stages.
FRIDAY: Whitsun adjournment until Monday, June 7.

Lords debates are:
MONDAY: Agriculture (Miscellaneous Provisions) Bill, second reading; Rating (Charity Shops) Bill, second reading, debate on the report of the joint examinations sub-committee of the Schools Council on examinations at 16-plus.
TUESDAY: Land Drainage Bill, second reading; Energy Bill, third reading; Development of Rural Wales Bill, Committee.
WEDNESDAY: Debate on the consultative document "A review of the water industry in England and Wales."
THURSDAY: Congenital Disabilities (Civil Liability) Bill, second reading; Explosives (Age of Purchase) Bill, second reading; Atomic Energy Authority (Special Constables) Bill, committee; Theatres Trust Bill, second reading.

Inquiry finds departure figures unreliable

BY JOHN HUNT

AN INQUIRY by Sir Claus Moser, director of the Central Statistical Office, has found that the figures for the departure of overseas visitors who have resided in Britain on a temporary basis are inherently unreliable.

In view of this, Mr. Roy Jenkins, Home Secretary, announced last night that these embarkation figures will not be published in future.

Sir Claus has carried out two inquiries for the Home Office. The first was into an error affecting embarkation figures for 1973 and part of 1974. Mr. Jenkins has already said that this error arose due to lack of clarity in *instructions and defects in the* supervision of counting.

In a written Commons answer, last night, he added: "There was also an imprecise division of responsibility within the Home Office for the interpretation and presentation to the Ministers of statistics on immigration control. This has been remedied."

In his second report, Sir Claus examines the significance of figures for arrivals and embarkations. His main conclusion is that these cannot provide a clear guide to migration unless additional and expensive information was also prepared. This would entail many extra staff.

The political danger would be that delays would have to be imposed on travellers and there *would have to be a national* register to match individual embarkations with admissions.

Molloy joins Europe MPs

MR. WILLIAM MOLLOY, MP for Ealing North, has been appointed a member of the Labour delegation to the European Parliament in succession to Mr. Guy Barnett, who became a junior Minister at the Department of the Environment on the formation of the new government.

Employment agencies face new controls

EMPLOYMENT agencies and employment businesses will be subject from November 1 to licensing and inspection under the 1973 Employment Agencies Act, Mr. Harold Walker, Minister of State, Employment, told the Commons yesterday.

The Minister also announced, in a writen reply, that from July 1 the agencies would have to comply with regulations governing their conduct.

Employment agencies or employment businesses not currently licensed by a local authority will have to apply for a licence before November 1.

The regulations operating from July deal with the way in which an application for a licence is to be made and particulars which must be given. The fee for granting or renewing a licence for 12 months will be £72.

The regulations also cover the duties and obligations imposed on employment agencies and employment businesses.

Mr. Bernard Marks, chairman of the Federation of Personnel Services, said yesterday that reputable agencies had long *accepted that, in the public in*terest, there *should* be effective supervision of their activities.

Under the regulations, agencies dealing with temporary *staff* and au pairs will be subject to control, and there will be safeguards for staff sent abroad or arriving in Britain.

PM considers rabies powers

THE GOVERNMENT is considering whether offences concerning rabies should be made arrestable, Mr. James Callaghan, Prime Minister, told the Commons yesterday.

He said nobody could doubt the gravity of the matter. "There is a prospect we ought to consider the possibility of making offences under the Rabies Act arrestable. I do not know what answer we would *come up with, but that is the* kind of issue I am now having looked at."

Mr. Callaghan said he was satisfied, at present, that there was co-ordination between the authorities, including Customs officers, police and the Health Department.

Postal saving of £8m. seen

THE POST OFFICE expects to save about £8m. by abolishing the Sunday collection, Lord Melchett, Industry Under-Secretary, told the Lords yesterday.

He was answering Lord Orr-Ewing, who had suggested that the public interest was served by week-end collections and that it seemed "high-handed" to close the service down.

Lord Melchett said only about 5m. letters were collected on Sundays compared with 185m. on weekdays. He said the public interest was best served by an economically viable postal service

Commons costs

IT COST about £19.3m. to run the House of Commons in the 1975-76 financial year, Mr. Michael Foot, Leader of the House, said in a Commons written reply.

Question-time reform call by Labour MPs

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE PARLIAMENTARY Affairs Group of the Parliamentary Labour Party have called for a reorganisation of Question-time as part of a wider reform of the procedures of the House of Commons.

Their report, compiled under the chairmanship of Mr. George Cunningham, MP for Islington South, is timed to coincide with the convening of a Select Com*mittee on the reform of Parlia*ment whose membership will be announced to-day.

Question-time is designed to give MPs the opportunity of exposing grievances and its success should be measured by the number of times a Minister "leaves the field wounded," the report states. The Speaker should allow MPs to put their points at greater length.

The practice whereby an MP has to put on a top hat to raise a point of order during a division is ridiculed as infantile and *"contrary to the dignity of any* member doing so and to the dignity, such as it is, of the House of Commons."

Tories urge Ulster initiative

MR. AIREY NEAVE and Mr. John Biggs-Davison, Conservative front bench spokesmen on Northern Ireland, yesterday met Mr. Merlyn Rees, Secretary for Northern Ireland, to express their dissatisfaction that no new security initiative had been taken by the Government in the Province.

They reminded him that a Ministerial committee had been set up five months ago to review security. *They also* pressed Mr. Rees on the alleged continuation of informal contacts between officials of the Northern Ireland Office and the Provisional IRA.

Mr. Neave said after the meeting that he had failed to get an assurance from Mr. Rees on this point. The Northern Ireland Secretary had, however, listened sympathetically to their suggestion that the Royal Ulster Constabulary should be armed with the most modern weapons available and that they should receive special anti-terrorist training equivalent to that available to the Metropolitan Police.

YACHTING — BY ALEC BEILBY

Best men are coming out on top

DARK storm clouds were replaced by bright sun as the selection trials for the British Olympics yachting team continued yesterday at Weymouth and, at much the same time, the storm clouds threatening the selectors started to drift away.

It seems, as the week nears its end, that the best men have come out on top, certainly in four of the six classes although in two classes, the three-man Soling keel boat and the two-man Tempest Class, the situation is less clear. The final choice in both these classes will lie between the best crews available for the job ahead in Canada in July.

There had been fears that Weymouth Week might have produced some problematical results for the selectors but, unlike those who chose our marathon team, the yachting selection committee stated before the trials that the winners of the trials were not automatically the choice for Canada.

Fortunately, it seems unlikely that this escape clause will have to be invoked.

Four of the classes have sailed six of their seven races and the other two, the Flying Dutchman dinghies and the Tornado catamarans, have sailed five but in these two classes the respective leaders, Rodney Pattisson and Reg White, are so far ahead that the series may be decided on six rather than seven races.

Pattisson, heading for Canada and hopefully his third Olympic gold medal, has scored four wins and a second place while Reg White, a firm favourite for the gold medal if he gets to Canada, has five wins in five races.

In the single-handed Finn class, the struggle has been between world champion trainee *accountant Chris Law and David* Howlett, a naval officer.

Howlett has taken all but the opening race from Law, now second, except on the opening day when they both went astray, so locked were they in their own battle.

The sadness here is that only one of these men can go to Canada and whoever is chosen must be another gold medal favourite. This time, at any rate, it looks as if it is certain to be Howlett.

In the Soling class, with six races sailed, the choice lies between John Oakeley, our representative in the class in the Kiel Olympics, and Iain Macdonald-Smith, who crewed Pattisson to his first gold medal in Mexico eight years ago.

Macdonald-Smith has won four of the six races and Oakeley only one, but yesterday's win by Macdonald-Smith brought a protest from *Colin Simonds. If the* protest had been upheld it would have given the race to Oakeley and opened up the contention for the overall lead in to-day's race but it was dropped.

Macdonald-Smith and his crew, it seems, have ordered their Olympic uniforms.

Dominant

In the 470 dinghy class, Paul Crebbin and Derek Clark dominate the situation, as predicted, and cannot be beaten even if last to-day.

In the two-man Tempest Class, Alan Warren and his crew David Hunt, who together won the silver medal in Germany in 1972, are sharing three wins; therefore a tie with Cliff Norbury and Tim Copsey. So the final choice lies entirely on to-day's result.

The Executive's World
EDITED BY JOHN ELLIOTT

POST OFFICE CONTRACTS

Whether to compete or to co-operate

Christopher Lorenz examines Sir William Ryland's idea that the Post Office and its suppliers should co-operate more and concludes that this would end the present system of competitive tendering

Sir William Ryland

IE SENSITIVE issue of how nationalised industry, as a onopoly buyer, should handle lations with its suppliers was ven a new twist earlier this ek by Sir William Rylands, e chairman of the Post Office. lling for a "unitary operan" between Post Office Telemmunications and its supiers, Sir William floated the vel idea that the principal anufacturers should split off eir telecommunications entis from the rest of their ganisations and, while retaing their interests, put them to a "full and open partnerip" with P.O. Telecommunicans (which he wants separated om Posts "the sooner the tter"). The companies he early has in mind are GEC, essey and Standard Teleones and Cables, though Pye d even Thorn-Ericsson might so conceivably be involved.

Sir William repeatedly stresd he was talking in a personal pacity, and not for the P.O. ard. He saw the need for unitary operation "sooner or ter" (implying not until the 80s). And his suggestion of ly one particular form for a full and open partnership" tween public and private ctor was "not because I am mmitted to it, not because it necessarily the right one or e only one," but as an exnple.

Effectiveness

In spite of these caveats, Sir illiam has again thrown open e perennial issue of how best oraganise the telecommunicaons industry for maximum fectiveness at home and road. In so doing the quesons are raised of whether his iticism of the current strucre is justified and his propols would solve the problems d whether they are a possible odel for relations between her nationalised industries d their suppliers.

Sir William's "unitary operaon" would cover the entire range of telecommunications activities, "from invention (of technology and designs) through manufacture and supply to customer service." The "full technical collaboration" he called for would be more extensive than anything the industry has ever known, and would make it virtually impossible to continue the P.O.'s recent policy of competitive procurement from its suppliers.

Many of the shortcomings of the British telephone service, and of the industry's export record, are attributable to decades of insufficient collaboration between the suppliers, and between them and the P.O. Delays in decision-making, over both mundane changes and the definition of electronic exchange designs, have cost money—in terms of higher telephone tariffs and lost exports. *Selection by the P.O. of designs which are difficult to export* is another example.

Sir William, in common with many others in the industry, has seen closer collaboration as especially necessary in the *coming years,* as the electromechanical age gives way to the much more complex world of electronics, and as the manufacturers try to re-establish their positions on increasingly competitive world markets. At present, he said this week, the P.O. had little knowledge of production, though this was important for its decision-taking. The industry had scant knowledge of operations, though this, too, was important for considered and responsible approaches to problems, and especially to meaningful exporting. Arrangements were needed to speed up innovation and to give economies of scale, Sir William went on, suggesting that the U.K. industry had too many small factories and administrative overlaps.

There have always been a plethora of P.O. suppliers, but in some respects Sir William's proposals hark back to the past, when relationships between the various parties were closer than they are now.

From the mid-1920s until the beginning of the 1970s the telecommunications industry was organised on the basis of bulk supply agreements between the suppliers and the P.O. Equipment orders were allocated *largely on a quota basis,* with the minimum of competition. There was a relatively free interchange of technical development information between the suppliers, though Sir William recalls that even at the time of this supposedly "cosy" arrangement, it took several years to negotiate development arrangements for the 1950s and 1960s, taking the P.O. and the industry into the "TXE" range of designs for semi-electronic telephone exchanges.

In 1969 the P.O. was transformed from a Government Department into a public corporation, and as part of its new "commercial" approach, the bulk supply agreements were replaced by competitive tendering between its suppliers. Since possession of exclusive technical information can be a major competitive advantage, the suppliers naturally became reluctant to allow as rapid and extensive an interchange as before.

This, plus the increasing complexity of electronic development work, seems to be partly why it has taken much longer than many people expected for the P.O. and the industry to agree on the collaborative arrangements for the development of "System X," the all-electronic exchange network which is planned for the 1980s. Settlement of this question has only recently been reached, though it has been said to be "imminent" ever since August, 1974.

Collaboration

The growing realisation by the P.O. that it might after all, be impossible to reconcile full technical collaboration with competitive tendering was underlined last year, when it discovered that its cable suppliers had been operating a cartel, instead of competing. But this does not imply an early or sudden end to competition; the best way might be to change the situation gradually, starting with the supply of System X exchanges in the early 1980s.

Some form of "unitary operation," then, does appear to be needed; especially in a country with as limited resources as Britain. But, as Sir William suggested there are a wide range of possibilities other than the far-reaching example he quoted —a particular concept which some people allege amounts to effective nationalisation, in spite of Sir William's insistence that the private sector would keep its interests and would not be dominated by the P.O. As the experience of other countries shows, "unitary" does not necessarily mean combining several organisations into one large unit. Nor does it have to mean a "hands-on" link between the customer and his suppliers.

The best example of an effective, single organisation covering "innovation through manufacture to customer service"—to quote Sir William—is the Bell System in the United States. Paradoxically the Federal Government there is now trying to break it up, and especially to separate manufacture from operations and customer service, *in order to foster competition.*

Sweden is often cited in the same breath, but here the links *between the telephone administration* and L. M. Ericsson, the private sector manufacturer, are far more tenuous. Ericsson's strength has been gained in spite of, rather than because of, the influence of the administration. But Ericsson itself is, in a way, a "unitary operation" since it has extensive knowledge of how to run a telephone network.

In West Germany, unitary operation has been achieved by making Siemens the development and manufacturing "lead house" over both the Post Office and the other suppliers, France, too, is avoiding the establishment of a large Post Office-suppliers' organisation, but the public sector is taking the lead. A labyrinth of collaborative arrangements announced just last week will rely on the Government to play a co-ordinating and promotional role at *home and* on the export markets. Much will also depend on the suppliers' goodwill.

Whether this will work remains to be seen. In Britain, it would be even more difficult to permeate all levels of Government and Post Office *with the* need to put exportability before domestic requirements. But there seems little point in advocating an alternative, German-type, solution, in which the P.O. would cede more product specification to its suppliers, when there is little prospect of any individual U.K. supplier gaining universal acceptance as a "lead house." Nor would this be acceptable to the P.O. itself.

On the other hand, it now seems clear that Sir William has moved well beyond the stage of considering whether the P.O. should take over, or set up jointly with one of the existing suppliers. A P.O. study of this possibility was submitted to the Department of Industry last year, *following* an earlier initiative by Mr. Anthony Wedgwood Benn. Such an arrangement would fall far short of the "unitary operation" Sir William envisages, and it might also disrupt the consensus he is trying to create.

The whole idea of a unitary British operation may seem *wrong to those who argue that* individual liaisons with foreign companies are what is required to boost our export performance. Apart from the chance that an all-British System X programme could just prove a great international success, *there seems no reason why* international companies should *not be involved.* Standard Telephones and Cables is a subsidiary of ITT, after all, and the new French programme *illustrates one way* of including foreign technology in a "national" joint effort.

Like the Post Office, other public sector customers, such as the Central Electricity Generating Board, have had to reconsider (and sometimes change) their policy towards competition or co-ordination *among* their suppliers. But Sir William's proposals have only a limited significance for other nationalised industries, for several reasons. First, there is a greater variation in telephone technology, especially exchanges, from *one national market to another* than is the case for, say, process plant or turbine-generators. Second, the complexity of the technology prompts some telephone administrations (such as the British Post Office) to insist on very specific solutions, which accentuate the national differences. This makes it more difficult for telecommunications suppliers than for process plant makers, say, to establish an international market; they are more dependent on a virtual *monopoly customer. Finally,* this, plus the complex technology, makes technical collaboration more necessary and competition less effective than in other industries.

PLANNING AGREEMENTS

A civil servant points the way

IT IS now well over a year since the prospect of companies being landed with planning agreement negotiations by the Government first seemed imminent. Yet little is known of what they involve even though a start has been made with about eight companies and three nationalised industries.

One of the first accounts of how an agreement might be drawn up has now been set out by Mr. N. Walmsley, a Department of Industry assistant secretary, in a speech to an Institute of Personnel *Management conference.*

He explained that the Government wants to embrace 100 to 150 companies within three to five years, sometimes with a start being made on one aspect of a company's interests which would be gradually widened. Those chosen would be where a handful of companies dominated a sector which was significant in terms of exports, employment and technological change.

The way the dialogue was conducted would vary from case to case, explained Mr. Walmsley. Broadly the Government was thinking of fitting in as far as possible with each company's internal planning timetable. "We envisage that the first stage would be for the *company to consult its union* representatives closely about the plans that were to be covered in the discussions with the Government," he said.

"The topics on which information would be disclosed will obviously vary. But the Government expects that they would include the company's main objectives and strategies: sales and marketing prospects with particular reference to exports: investment: employment levels, training, productivity, etc.; and *other issues of relevance.*

"Remember what we are talking about here is strategic, not day to day, information. We are thinking in terms of planning horizons applicable to particular industries be they three, five or ten years . . . the next stage after the company has consulted its workforce is for a substantive discussion to take place between the company and the Government, informed by a substantial note of its strategic plans and the issues of priority that arise.

"There is no sense in which this dialogue is intended to provide a means for the Government to approve the company's plans. Rather the aim is to inform thinking on both sides . . . The point of contact for the company will be the *sponsor* division in the Department of Government (usually Industry) with which it normally liaises.

"For the company this should have the advantage that Whitehall should speak with an increasingly co-ordinated voice *and the company through its sponsor* division should secure more 'clout' generally in Government.

The conclusion of the dialogue would be marked by the preparation and signing of the planning agreement document. "This is not a large document and for obvious reasons it would not constrain the company from departing from the plans that were discussed, if circumstances or judgments change. Although we envisage that the cycle of consultations would be rolled over each year there would be scope for the company and the Government to keep in touch during the year."

Manpower parts of the agreement would be the special concern of a "Department of Em*ployment Group*" which includes the Manpower Services Commission and its employment and training agencies.

"Information disclosed to the Government in confidence will not be further disclosed. In particular, information will not be disclosed to the National Enterprise Board without the express approval of the company added Mr. Walmsley.

John Elliott

The way to overcome redundancy

"THERE IS no such thing as a safe job. Mergers and takeovers, technological advances and economic shifts all mean that the world is changing swiftly about us, and is going to go on changing. Confidence *should not be given blindly to* any organisation, but rather to your own ability to adapt in a *mobile environment.*"

This piece of advice is contained in a book called What To Do if You Lose Your Job, published by the Institution of Sales Engineers. It is described as a guide to the laws on redundancy and on unfair and wrongful dismissal, and it also explains how to claim legal aid and Social Security benefits and suggests tactics for finding a new job.

Recession

Written by Mr. Greville Janner, a lawyer, MP, and Mr. John Korving, a careers consultant, the book was commissioned because the institution feel the first man to bear the brunt of industrial recession is the salesman.

But, as Mr. John Fenton, the institution's director-general, points out in his forward to the guide "*even the chairman of* the multi-million turnover group, and the managing director of the thriving family business are still ordinary employees in reality, and are susceptible to the same kind of dismissal or redundancy situation as middle management, *sales, buying, design or works* staff."

The book not only aims to *help the employee,* but also the company in explaining recent legislation. Moreover, it points to possible future changes. For example, in advising on how to seek damages for "wrongful" dismissal, it points out that up to £1,000 can be claimed in a County Court, or otherwise in the High Court, but that such claims may be transferred to Industrial Tribunals under the *Employment Protection Act.*

Under each chapter, beginning with "The law if you are dismissed," the facts are set out under sub-headings, and advice is offered. For example, an employee "who seeks legal remedy for dismissal must show that he was 'dismissed'—and not merely that his employer had given notice of intended dismissal."

The book points to what "unfair" dismissal is and outlines awards that can be made. There *is also* considerable detail on the entitlements of anyone unemployed, such as redundancy payments and scales of unemployment benefits, supplementary benefits, tax rebates and re-training grants and procedures are given for registering as unemployed. Additionally, Government agencies, such as the Employment Services Agency, are listed which offer a means for re-employment.

Newspapers

The latter part of the book is devoted to advice on how to set about getting another job. It poses questions an employed person should be asking, such as whether he is in the right industry and whether that industry has a real future. On this point it suggests that reading either financial columns of newspapers or company reports will indicate the prospects of particular industries. Other literature is suggested to discover the different specialist recruiting organisations and advice is presented on how to apply for jobs.

What to Do if You Lose Your Job. The Institution of Sales Engineers, 24 Warwick New Road, Leamington Spa. Price £1.50, including postage.

Nicholas Leslie

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Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026
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Paris: 36 Rue du Sentier 236.50.60 (editorial) 236.86.01 (business)
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Brussels: 39 Rue Ducale
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Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

FRIDAY, MAY 21, 1976

A miracle but not a *wunder*

THERE IS a subtle distinction between what British politicians call an economic miracle and what Germans call *ein Wunder*. An economic miracle in British *parlance takes place whenever* output rises faster than its past trend and inflation remains under control.

Such a state of affairs occurs every four or five years and is a regular feature of the business cycle. There is nearly always a phase of business recovery when inflation is still going down as a result of the previous recession, and thus for a short time we can have booming output and better employment without too much difficulty with prices and the balance of payments. *In 1972-73, for instance*, Mr. Heath was talking about the prospects of unprecedented *expansion and in a short-term* sense he was right.

Profitability

In this sense Mr. Healey is also entitled to talk about a miracle. Indeed, *expansion is* going ahead a good deal faster than was thought likely when the Budget *forecasts were pre*pared. It is fair to point out that the expansion is, for the time being, export-led. Few British officials and economists would have expected to see the day when the profitability of exports would become the stock topic of conversation among businessmen.

But the recovery now seems to have become more broadly based. The preliminary estimate of consumer spending in the first quarter has been revised upwards to show an increase of 4 per cent. at an annual rate. Believers in a slow recovery might want to put a lot of emphasis on the temporary effects of the hire purchase relaxations at the end of last year.

Further proof of the speed of recovery has been provided by *the industrial production* index, which because of the use of deliveries as a measure, may *underestimate the true increase*. The most broadly based indicator of all, the Gross Domestic Product, *has been rising in* the first quarter by well over 4 per cent. Since then there has been a further rise in overtime *and a fall in short time working*. If next Tuesdays' figures show a further rise in unfilled vacancies, *it will be quite clear that* the Chancellor's advisers underestimated the force and the speed of the upturn—which they along with other forecasters, did not expect to reach the labour market until much later in the year. These errors are not confined to the U.K. The OECD, having previously underestimated the world-wide recession, went on to underestimate the pace of recovery: and *officials from leading Western* countries assembled in Paris this week were worried about the resurgence of inflation, which has already begun to affect raw material prices.

Overheating

To transform miracle into *wunder* would require, in the case of the U.K., a continuation of the rise in output without running into either domestic overheating, or a payments crisis arising from an inrush of imports. It would require continued progress with counter inflation next year and in 1978, and a climate favourable to investment and innovation.

The key to wisdom is that reports of an industrial change of heart have been heard before and cannot themselves be a basis for policy. Nor are physical estimates of unused capacity or unemployment targets sufficiently reliable for demand management. The safety net of a preannounced target for the growth of monetary demand is indispensable.

If the unpublished objectives on this front are not to be pushed aside, as they were in the Heath period, the Chancellor may soon have to admit that his Budget judgment was too inflationary. He has after all always stressed the fallibility of forecasts. If he waits too long, before changing course the only winners will be those who regard all forms of prices and incomes policy as a snare and delusion. One cannot imagine that Mr. Healey would want to play into their hands.

No consensus on fuel policy

IT SEEMS UNLIKELY that the *conference which Mr. Wedg*wood Benn is soon to hold on future fuel policy will be an *altogether amicable affair. At an* earlier conference held in February, the chairmen of the Coal Board and the Electricity Generating Board put forward diametrically opposed views. Sir Derek Ezra, for the NCB, argued that ways must be found of using the present surplus of power station coal, which was *likely to persist until the end of* the decade, and suggested a number of ways in which the CEGB could switch from burning gas and oil to burning coal. Mr. Arthur Hawkins for the CEGB, on the other hand, attacked the Coal Board for its poor recent record of productivity and argued that price in*creases—which the NCB is able* to make freely, through U.K. membership of the Coal and Steel Community—were leading to dearer electricity and depressing its sales.

Mr. Hawkins ended (a little unfairly, since the chairman of the Gas Corporation was not present on that occasion) by referring to the way in which North Sea gas had eroded the competitive position of electricity in certain fields. He argued that there should be a tax on all supplies of natural gas, which would serve both to prevent over-rapid exploitation and at the same time give a measure of protection to coal.

Taxing gas

The chairman of the Gas Corporation, Sir Arthur Hetherington, took the opportunity of a *Press conference* yesterday to hit back. He had two principal points to make. The first was *that gas was not "underpriced"* and that the idea of a tax on natural gas was put forward with the aim of hampering gas sales rather than conserving supplies: gas was cheaper than electricity, he said, simply because conventional generating stations had an intrinsically poor conversion efficiency. His second was that there was plenty of gas available in the North Sea to satisfy the essential gas market "well into the *twenty-first century*" and that the idea of an energy gap in the 1990s had been much exaggerated. He described this latter idea, in fact, as a "myth," based partly on over-cautious estimates of the amount of oil and gas likely to be found around our coasts and partly on a failure to recognise the extent *to which higher prices for* energy would lead to a slower growth of demand.

Differences between the energy industries of this kind are not likely to be easily resolved, if only because the issues involved are not so straightforward as they are often made to look in public. Coal, for example, has a vital role to play in the medium-term future and the transition from one set of *pits and one type of mining* technology to another involves immediate social problems.

North Sea

On the specific point of a tax on natural gas supplies, however, Sir Arthur Hetherington seems to have the best of the argument on his side. Some further increase in the price of gas there will have to be, subject to the Price Commission, because the Corporation—though out of the losses into which it was pushed by price restraint for two years—is not yet making a sufficiently high *profit to meet the target laid* down by the Treasury. Once it is meeting that target, how*ever, here is no reason why* the use of a relatively cheap, efficient and abundant form of *energy should be artificially* held back. The North Sea can make a considerable contribution, if the Government plays its cards sensibly, to loosening the balance of payments constraint which has hampered the country's economic growth in the past. It would be foolish to throw that advantage away.

Far less interference from Government is the old cry of the nationalised industries. **Adrian Hamilton** and **Colin Jones** argue that their relations with Whitehall must be redefined.

Leonard Burt

"Management morale has steadily deteriorated": the Chairmen of the main nationalised industries at a recent inaugural meeting.

Politics v. the State sector

"IT IS not planning agreements we need from *Government but Gov*ernments to interfere less with our planning," commented a *State industry chairman* on hearing this week's news that planning agreement discussions *are to start with three of the* nationalised industries.

His cry was heart-felt but *hardly new. Over the past* decade and more it has constantly been on the lips of the State industries, growing tired in the repetition and the lack of response.

Yet this time there is reason to believe that it is getting a hearing and a genuine hearing at that.

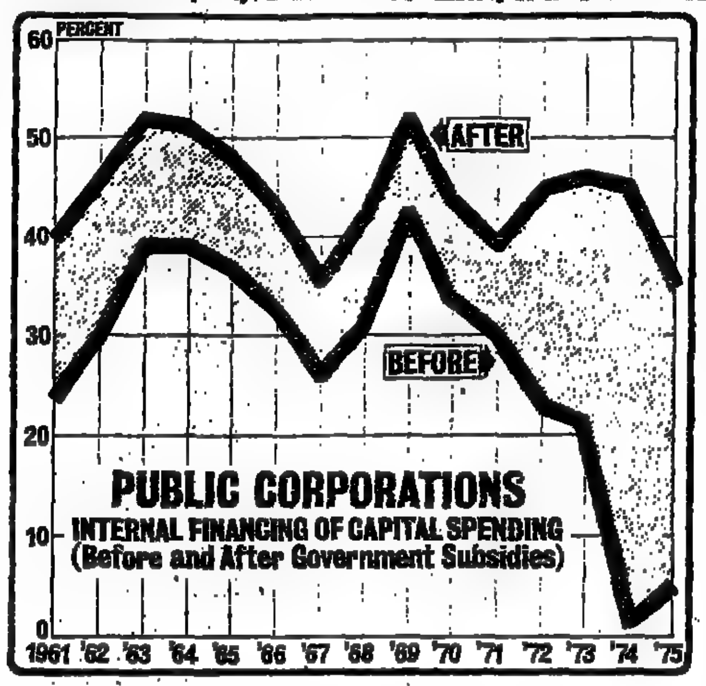
The whole subject of the role and control of the nationalised industries has been referred by *Sir Harold Wilson, when Prime* Minister, to the National Economic Development Office, which is now discussing *its provisional ideas—some of them* quite far-reaching—with senior civil servants and industry chairmen. The Treasury and sponsoring departments have felt concerned enough to develop their own ideas of closer financial control and ministerial guidance. The public and politicians have become sufficiently steamed up on the issue of prices and service in the major *State corporations to promote* a series of parliamentary and public inquiries into steel, the *Post Office, television, railways* and transport.

"There may be no final solution to the problem," remarks a senior civil servant drily. "Relations between Government and the nationalised industries have always had their ups and downs. But the down this time is so low that change would be worth while if only to help the trend back up into the next phase of the cycle."

The concern is real enough. The nationalised industries may be associated in the public mind largely with a stock comic image of bureaucratic hopelessness. But their position in the *nation's economy has now grown* so large, and is likely to grow so much larger with the new *nationalisations* planned, that their problems can no longer be ignored.

The nine major nationalised industries—airways, gas, rail, steel, electricity, coal, postal services, buses and freight—now account for around 9 per cent. of U.K. GDP, more than 6 per cent. of total employment and around an eighth of gross fixed capital formation in the country. Controlling over half the country's energy market, a third of its transport, nearly all its *communications and as much as* a quarter of total industrial investment, not only do they sit on "the commanding *heights* of the economy," but their financing has come to play a major role in public expenditure and public debt, while their purchasing policies can make or break a wide range of supply industries throughout the country, as the electrical plant and machinery companies know to their cost.

The problem at the moment is that the more important they *have become, the more their* role has been confused as successive governments have intervened to use them as a tool in counter-inflation policy, a means of demand management in the economy and *as a general foot*ball in political debate.



Nearly four years of price restraint and stop-go on capital expenditure have played havoc with their finances and made a *nonsense of their commercial* targets. Management morale has steadily deteriorated under the weight of *failing civil service* confidence, political changes in direction and the refusal of Governments either to implement pay rises promised to Board members or to provide a satisfactory framework for appointing or re-appointing chairmen.

To accept that the State industries are in a parlous state, however, is very much easier than finding agreed solutions to the problem. From the beginning of nationalisation, there has been a constant dichotomy between the desire to seize a profitable State sector and make private into "public" gain and *the desire to control the com*manding heights of the economy and use them specifically for political, social and regional purposes. As with so much of political initiative in U.K. economic life, the original force behind nationalisation was far more the dislike of something—in this case profits and competition—than a positive desire for an alternative and, as long as this was so, there was always *likely to be an unreconciled* conflict between those who wanted an essentially *commercially-minded and independent* State sector and those who wanted a sector that could serve as the arm of Government.

The history of the nationalised industries has been one of constant swing between these views, controlled at various times by the exigencies of economic circumstances. The original Morrisonian solution which still formally holds was to reconcile *the opposites by allowing State* enterprises the freedom of commercial management but *to establish political control* through Ministerial appointment of Boards, sanction of investment and through political directives specifically given. As time went on a series of Parliamentary inquiries and two White Papers, in 1961 and 1967, attempted to define some of the practical problems. They recommended agreed rates of return on capital and separate accounting for losses made in the pursuance of social ends. But just as these investigations urged greater freedom, so the development of economic demand management and the *strains of particular conditions* led to greater Ministerial intervention. This occurred on prices and investment during the early period of the Wilsonian Government in the mid-1960s, the Heath pay and price policies of the early 1970s, and then the "social contract" restraints of the past two years, each of them followed by periods of relaxation as the financial problems posed by industry losses and *borrowings asserted themselves*.

Retreat or reform

The question facing the Government, and the NEDO study, is essentially whether what is now needed is simply a retreat from intervention back to the original ideals of the 1961 and 1967 White Papers or else a radical reform of the whole structure of controls and targets in the nationalised industries.

The question is made none the easier by the variety of circumstances in which the industries operate. If the enterprises were as genuinely mono*polistic as critics charge, then* the problems of financial control might be greater but *the problems of financial* targets would be easier. But few, if any, do operate without *competition, whether in energy* or transport, or without some kind of international ceiling on their pricing ability, like the airways. And each has its own problems. British Gas and British Steel are both potentially profitable enterprises in a competitive market and their chairmen naturally look to as little Government direction as possible. Rail, postal services, aerospace and shipbuilding all have gloomier prospects, and their chairmen look for more strategic direction from Government. Freight, electricity and coal are all in a particular relationship to other nationalised industries and their chairmen seek different and wider Government guidance on their roles.

Many Ministers—and this may well have been behind Sir Harold Wilson's reference of the subject to NEDO in the first place — want a solution that removes the albatross of the nationalised industries from around their necks to a less political arena. *But the recent* cries over price rises show that the public is growing more not less concerned with nationalised industries' policies and operations. *The Left still wishes the* State enterprises to be used as a means for counter-cyclical investment, *regional employment* and union power. The Right still hankers after denationalisation.

Whether NEDO can produce a consensus view out of this remains to be seen. In a sense, there is general agreement, at least in the Government, for a swing away from intervention. The recent policies of market pricing and the changes made in the form in which industries present their information for review and the degree to which this information is reviewed have gone some way to improv*ing the situation*. Both in general atmosphere and in practice, the Government appears to *be trying to help State enter*prises restore their finances and to give greater stability to their environment.

The difficulty which remains is that a general change in atmosphere cannot provide any reasonable degree of security of national industry operations, and, as long as they do not have this security, then the central problems of industry morale and planning, plus the equally important problem of the future of their supply industries, continues to hover.

A special unit

"Relief from price restraint has already helped us a great deal," one industry chairman comments. "What we now need *is commitment by Government* for the future." How this is achieved is another matter. On *the financial side, there is now* an almost overwhelming case for revising commercial targets and for reviewing the methods of raising finance, particularly fixed-interest capital, and creating a better public framework for financial control. The idea of creating a Nationalised Industry Unit within Government, or partially independent from it, to advise Ministers and perhaps Parliament on the finances of industries and their performance, is now gaining ground and could well be implemented — although the Civil Service may be reluctant to allow it too far out of its grasp or to become too public.

There must also be a strong case for reviewing the whole procedure for appointing and paying members of industry Boards. The right of hire and fire may remain the ultimate *political sanction, but it hardly* helps to have line executives earning more than Board members *and for chairmen* to be kept in the dark about the future until they read it in the Press at three weeks' notice. The difficulties of finding chairmen and recruiting and keeping senior executives further raises an interesting question whether there should be a semi-independent body for reviewing industry appointments and a central recruitment of graduates and businessmen for the national*ised industries as a whole*. Nor is it easy to see why there should not be more secondment of civil servants into the *State* enterprises.

Arms-length basis

None of these changes will ensure "commitment," or answer the problems of political pressure, and it is here that the real argument may come. For some, the commitment is best expressed by placing viable industries on to an arms-length basis on the lines of British Petroleum or the BBC. For others it would best be developed through planning agree*ments — the favoured Civil* Service approach or through the publicly debated development *of a regularly reviewed strategic* plan such as the recent coal industry review, in which Civil Servants, unions and politicians would be seen to be associated. For still others, the need is for an institutionalised system on more Continental lines in which "strategic review Boards" were set up for each industry with a wide membership, both to set long-term aims and protect them from political change—a move which Civil Servants are unlikely to favour.

Ultimately, no form of institutional change can be a guarantee against the whims of government and the inter*ventions of short-term necessity*. In the end, too, it may not be possible to find a general frame*work to suit all industries*. Some may be better left to themselves, while others, like the postal service in France, may be better as an integrated part of a Department. But whether it leads to radical reform or not, the time is long past due for a reassessment of the role of the nationalised industries, their place in the economy, and their future relations with government.

MEN AND MATTERS

Mogul goes public

One of the best known names in petrol retailing—ranking with Shell Esso and BP—makes its retailing debut to-morrow. To mark the occasion no less a person than Brian Stead, the *managing director of the oil* giant, will open the first filling station at High Wycombe, built at a cost of £200,000 and expected to sell more than 1m. gallons of petrol a year.

Brian Stead? Doesn't that name ring a bell? It probably should because he was the TV managing director (played by *Geoffrey Keen) of Mogul Oil*, the fictitious company created by the BBC to star in the series of the same name. The programme proved a terrific success and was followed up by another series called The Troubleshooters.

Part of the success of these programmes was due to the high degree of technical accuracy achieved, which in turn owed a lot to the co-operation of the real oil companies. But now, following a royalty agreement between the BBC and the High Wycombe-based Davenport Vernon Group, Mogul itself becomes a real force, albeit a tiny one.

Davenport Vernon has been in existence for 105 years since the original Guy Davenport Vernon went into business selling slates from a wheelbarrow. To-day the group's main business *is the operation of five* garages in and around the High Wycombe area. The idea of *pitching for the Mogul name* belongs to the present group managing director, Ralph Denne, *who first approached the BBC in* 1967, but was turned down.

Denne had another go last *autumn, and this time* was successful. And according to the BBC: "The Corporation has agreed to this in view of the fact that neither the series The Troubleshooters nor Mogul will be returning."

The BBC royalty of a "nominal sum" per gallon sold is not going to do much to dent the BBC's financial problems, nor that competition from the Mogul name will cause consternation among the oil majors. *Nevertheless*, the deal is causing some excitement at Davenport Vernon. It has now *registered a subsidiary, Mogul* Petroleum, has the right to use the name world-wide, and exclusive rights on the name in the U.K.

Already however the real-life Mogul is running into the sort of *hitches* that used to keep BBC viewers glued to the screen each week. The new *electronic pumps due to start* the station going to-morrow are not ready, and the garage has had to borrow manual ones. A case for the Troubleshooters, perhaps?

Unquiet OECD

The Paris-based Organisation for Economic Co-operation and Development has been the source *for some disquieting* news this week, with a meeting of the organisation's "Working Party Three" *pontificating on* the dangers of a new widespread bout of inflation. Bad enough, but the OECD *also* has a few troubles of its own.

To start with there has been a strike by *most of the 1,700* employees who work in the stately Chateau de la Muette, a former Rothschild *mansion* which houses the OECD. The strikers are demanding the implementation of a basic pension scheme agreed by the OECD council two years ago.

Then there is the matter of the latest supposed news "leak" with which OECD seems to be plagued *at regular intervals*. Like many international bodies, OECD suffers from a peculiar type of schizophrenia. It oscillates between being mortally offended when nobody takes any notice of it, and complaining about unexpected disclosures. Now it has been somewhat embarrassed to discover that the latest "leak" is down to Emile Van Lennep, the secretary general himself, and all *above* board too.

Reports appeared giving *details of the OECD secretariat's* revised forecasts for world economic trends not due to be published *until next month*. Internal notes flew around the organisation aimed at finding *who had been talking out of* turn. The investigation ceased abruptly when someone realised *that all the information had* been culled from a rather under-reported speech a week or so *earlier at the Nairobi United* Nations Conference on Trade and Development given by Van *Lennep*.

"Of course, we're prepared to *compromise and restrict* our fringe benefits to Leyland cars."

Farewell party

Last night John Methven, who is shortly to leave the Office of Fair Trading to become director general at the CBI, attended a small formal dinner at a Soho restaurant. Nothing unusual in that, except that his hosts were a group of journalists from all sections of the media who have been involved in covering consumer affairs while Methven has been pioneering the OFT's job as consumer watchdog.

From that angle the affair was a tribute to the success with which Methven has applied his policy of co-operating with the media. He has used publicity as one of the main weapons in his armoury.

In his previous job, at ICI's Mond division, direct contact with the Press tended to be dis*couraged, so that Methven's* policy at OFT represented quite a *volte face* for him personally. But there is no doubt that it has been a help in getting across to the public at large just what services are available on the vexed question of finding redress for consumer grievances.

The OFT's open door policy has helped in other respects. Detailed briefings on the approach to monopoly supervision has gone some way to establishing the existence of a systematic approach whereas previously industry had to operate blind in potentially *grey areas, and at least* the complexities and potential pitfalls of the Consumer Credit Act have been *open to wide* discussion.

Hope not

The monthly newsletter of a *Shropshire canine society* manages a time-honoured mistribute. "Members will be *sorry to learn that Mrs.* ——— is disposing of all but two of her dogs. Although she will con*tinue to judge at local shows* she feels that at the age of 75 she can no longer continue to breed and exhibit herself."

Observer

FINANCIAL TIMES SURVEY
Friday May 21 1976

Steel Stockholding

With the worst of the recession over, steel stockholders are expecting demand to increase. The industry should resume the vigorous growth that has been its characteristic since 1960. But there is some nervousness about relations with the British Steel Corporation, on which the industry relies.

Sales begin to rise as recession fades

AFTER THE most difficult business year that manufacturing industry can remember the steel stockholders are predicting a steady rise in sales which may return them later this year nearer to the levels of trading they last enjoyed in 1972. So often a barometer of business activity in Britain the stockholders now foresee a modest but continuing rise in the demand for their steel throughout the rest of 1976 and into 1977. The more optimistic among them are prepared to take the view that the real upsurge in industrial demand for steel has not yet begun and will be felt during the latter months of this year and the early part of next year. There is a general view within the trade that the worst is over and that British manufacturers are going to require more steel from now on to satisfy an increasingly buoyant home market and export trading which, in some sectors, is thought likely to attain boom proportions.

The role of the steel stockholder in Britain has become steadily more important in spite of national economic difficulties and the powerful and sometimes distorting force exerted upon the steel trade by the nationalised steelmaking industry. By 1971 the stockholders were handling upwards of 4m. tons a year and their place in the trading scene seemed set fair for continuing growth. They continued to expand business up to 5m. tons during 1973.

Then came the world decline in demand for steel and the industrial recession. Turnover among the British stockholders fell away rapidly. It was down to 4.3m. tons in 1974 and just over 3m. tons in 1975. If the industry can recover to the extent of selling some 3.5m. tons this year—as it expects to be able to do—it will feel it is well on course again.

Demand for certain steel products has already improved during the past few weeks, even to the extent of temporary shortages being reported. Such conditions are in the main bottlenecks resulting from the British Steel Corporation's attempts to balance supply and demand. They do not indicate any fundamental imbalance in the steel trade. Cold rolled sheet is selling well as the motor-car industry steps up production and there has also been a brisker demand for stainless steel sheet.

There are many other areas of the steel trade (in particular heavy plates) which are not selling well at all, however. The steel stockholders are prepared for some sectors of the market, involving the heavy engineering industries, to remain slack until well into next year.

Important

Britain's steel stockholders play a more important role in the industrial economy than do stockholders and warehousers of steel in many other advanced industrial nations. The British companies offer a higher standard of supply and service than most of their European and U.S. counterparts and they have underpinned their position by the installation during the last decade of quite sophisticated steel handling facilities such as de-coilers and slitters for handling strip from the major steel works, and profilers for supplying manufacturers with specified shapes with the minimum of waste steel.

The leading British companies sustain their claim to being out in front of other stockholding industries by pointing out that they can do business profitably on a smaller difference between gross and net margins than their foreign counterparts. Although it is true to say that no one concern dominates the British steel stockholding market. The GKN company Steelstock is now the biggest with 20 per cent. of the home market after absorbing Miles Druce at a purchase price of £18m. two years ago.

The British Steel Corporation has a benevolent view of the stockholder as a necessary catalyst in the steel trade, but, nevertheless, feels it necessary to have a stake in stockholding itself and is therefore working towards a maximum share of some 15 per cent. of the British stockholding market. At present BSC has almost reached that figure with its stockholding trade in strip mill products but still has some way to go in its trading of special and stainless steels.

The turnover of the British stockholding industry has increased at a steep rate since 1960 even taking into account the recent recession years. The industry is now doing more than £600m. of business a year mostly through the 250 members of the National Association of Steel Stockholders. The association is a merchanting representative body and, as such, does not represent producers of steel. But in practice steelmakers also engaged in stockholding are containing their merchanting operations in separate companies which are acceptable as members of the NASS.

Turnover

British steel stockholders are estimated to maintain, on average, a level of stock equivalent to 60 days' sales in their warehouses. That represents a total stock turnover six times during a year. It is a pace of business sufficiently brisk to ensure that only the well-organised and well-capitalised attempt to make a living in steel stockholding. Actual stocks in the warehouses vary between 500,000 tons and almost 1m. tons at any one time depending upon the overall demand for steel.

With high interest rates and the variable cost of transportation, two factors at present bedevilling all stockholding appraisals, the stockholders are making full use of computerised and other automatic systems for monitoring their stocks. However they have the comfort that prices for their stocks are still on a rising curve.

Both the stockholders and the principal steel users in British industry have become accustomed to importing some steel in recent years if only as an insurance against temporary stoppages in the steelworks and consequent disruption to supply. What began as an insurance has become, to some, a habit, and the stockholders recognise that an element of importing is here to stay. However, steel imports have declined during the past year.

Supplier

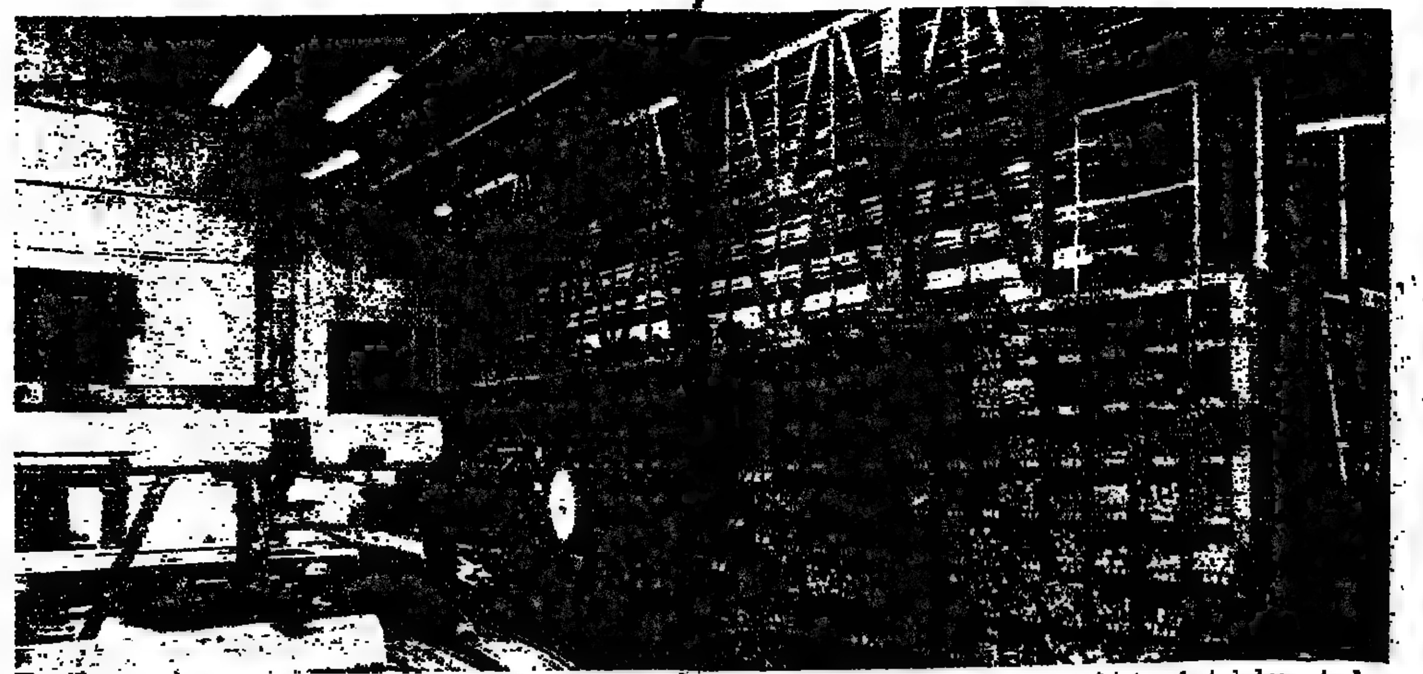
Talk to a stockholder about the trickier aspects of his trade and he will inevitably come round to discussing the role of his private sector business in juxtaposition with that of his main supplier the public sector British Steel Corporation. For the BSC provides 80 per cent. of the steel used in Britain and the stockholders rely to an even greater extent proportionately upon the corporation rather than the private sector.

The principal complaint voiced by stockholders at the moment is that the BSC can show itself to be unpredictable. The forces which are at work to reform the corporation and improve its steelmaking and commercial performance are sufficient to engender nervousness and instability among the market the BSC serves, notably the steel stockholders.

For the improved health of the steel industry in general and the distribution of steel to industry in particular it is vital that understanding should be improved between the stockholders and the corporation. Towards that end membership of the European Economic Community is one powerful catalyst. The British and Continental steel stockholders are already speaking with one voice to the steel makers on some policy matters.

One fear of British stockholders is that in the months to come the industrial demand for steel might increase with such rapidity that the British stockholding industry could be unable to cope and there could be severe if temporary steel shortages. The stockholders are voicing their fears on this score now to both the BSC and to the European steel stockholders and steelmakers in the hope that the whole steel supply mechanism of the EEC can be so geared as to avoid the danger of a steel shortage during 1976 or 1977 which could delay or stall a British industrial boom.

Roy Hodson



The London warehouse of Alloy and Metal Stockholders, the largest independent stockists of stainless steel bar.

Future trend is hopeful

LATER this year a crucial development in the pattern of internal steel distribution in Britain will occur when the British Steel Corporation opens the first of a planned chain of steel distribution centres. The pioneer centre, at Bilston, will be concerned with general steel products and steel from Scunthorpe in particular. The corporation's reason for the venture is that its strategy of a few big coastal steelworks requires, in turn, a new distribution system. The intention is that bulk steel will be sent to Bilston, and other centres as they are opened and will then be organised into customer orders.

From the stockholders' viewpoint the concept of BSC distribution centres is a cause for concern when the corporation supplies more than four-fifths of the steel used in the country. Might the BSC be moving into the stockholders' territory? Early alarm has to a large extent been quelled by assurances by the corporation that the distribution centres will not be used as stockholding centres. The corporation's stated intention is, rather, that the centres shall only handle steel already ordered and on its way to customers.

Nevertheless, an underlying apprehension is likely to remain within the stockholding industry as companies see these BSC depots coming into use. There must always be a temptation to BSC managers to maximise the utilisation and profitability of the distribution centres, their plant, and their manpower, by turning to stockholding.

Whereas distribution centres are one trend likely to provoke uncertainties in the stockholding world other signs for the future indicate more settled trading conditions coupled with a much higher level of activity as the demand for steel pursues a rising curve this year and next.

Meetings between the BSC and the stockholders are now a regular feature both at policy level and technical and commercial level dealing with products. The National Association of Steel Stockholders is all in favour of the BSC's recent Government-financed experiment in stock-piling semi-finished steel during a period of slack demand. The stockholders believe that measure may do much to reduce the danger of shortages of certain types of steel as demand picks up.

One stockholder explained the position "Looking at Britain and Western Europe the worrying factor is that there is so little steel in the pipeline to act as a buffer stock to help us cope with any sudden upsurge in demand. The BSC stocks could be a great help as long as the corporation can turn the semi-finished steel into product steel quickly as soon as demand warrants."

During the recession the European Economic Community steel market has been regulated by agreement between Brussels and the big steelmakers to avoid a repetition of the damaging effects upon steel of previous down-turns in the trade cycle during the 1950s and the 1960s when over-production led to price wars, dumping, and heavy losses. During the recent trading trough West German steel production has been 25 per cent. below normal levels, French production 20 per cent. below, and the Benelux countries nearly 30 per cent. below. British production, while only 11 per cent. less in 1975 than 1974, reflects a bigger cutback in real terms as there were production problems in 1974.

Thus Europe is not awash with unsold steel in spite of the low demand. Prices have by and large been maintained and some steel products are from time to time in short supply. "While appreciating the careful balance between supply and demand that has been maintained within the EEC steel market the stockholders, (who are closest to customers and probably more sensitive than the steelmakers towards market trends) are warning the steelmakers to be on the alert for a sudden rush of orders.

The British stockholders are improving their relations with their European counterparts. Working relationships are now sufficiently close for the British and Continental-based firms to act as a body. During 1976 their major concern will be to develop contacts with Europe's steelmakers and to bring about closer co-operation. The stockholders believe that diplomacy of that sort is essential if both producers and stockholders are to cope adequately with future steel needs.

Stockholding business is now being planned on the general premise that there will be an annual growth of consumption of finished steel within the Community of some 3.7 per cent. That estimate is contained in the European Commission's publication General Objectives Steel 1980-1985. Growth of steel consumption in Britain is being estimated by the same source at around 3 per cent. for the next few years. Table I gives the European Commission's forecasts of consumption of steel products by 1980.

The forecast gives a clear indication of how steel stockholders expect their businesses to develop. By 1980, for instance, the tonnage of steel tubes used is expected to rise by 50 per cent. Tonnage of miscellaneous and often non-traditional forms of finished steel is expected to rise also by 50 per cent. Steel for domestic consumer items is expected to show a healthy growth. However growth is forecast as likely to be slow in some of the heavy engineering and constructional uses of steel.

The British stockholders are very conscious of Britain's low consumption of stainless steel and hope—rather than expect—for faster growth in that sector of the market. Consumption of stainless in Britain per head of population is now well below the prevailing levels in other advanced Western nations. The BSC's investment in stainless steel facilities at Stocksbridge, Sheffield, should make supplies more freely available later this year. A drive to sell more stainless on the British market will logically follow from the introduction of the new capacity.

The stockholders are no longer asking when the upturn will come: they are agreed it has arrived. Sales of some products have improved by at least 10 per cent. during the past few weeks. But it is by no means a general recovery and the principal concern of stockholders during the remainder of 1976 will be to ascertain whether demand for steel is going to improve across the whole range of steel products.

Roy Hodson

TABLE 1—Consumption of finished steel products in Europe

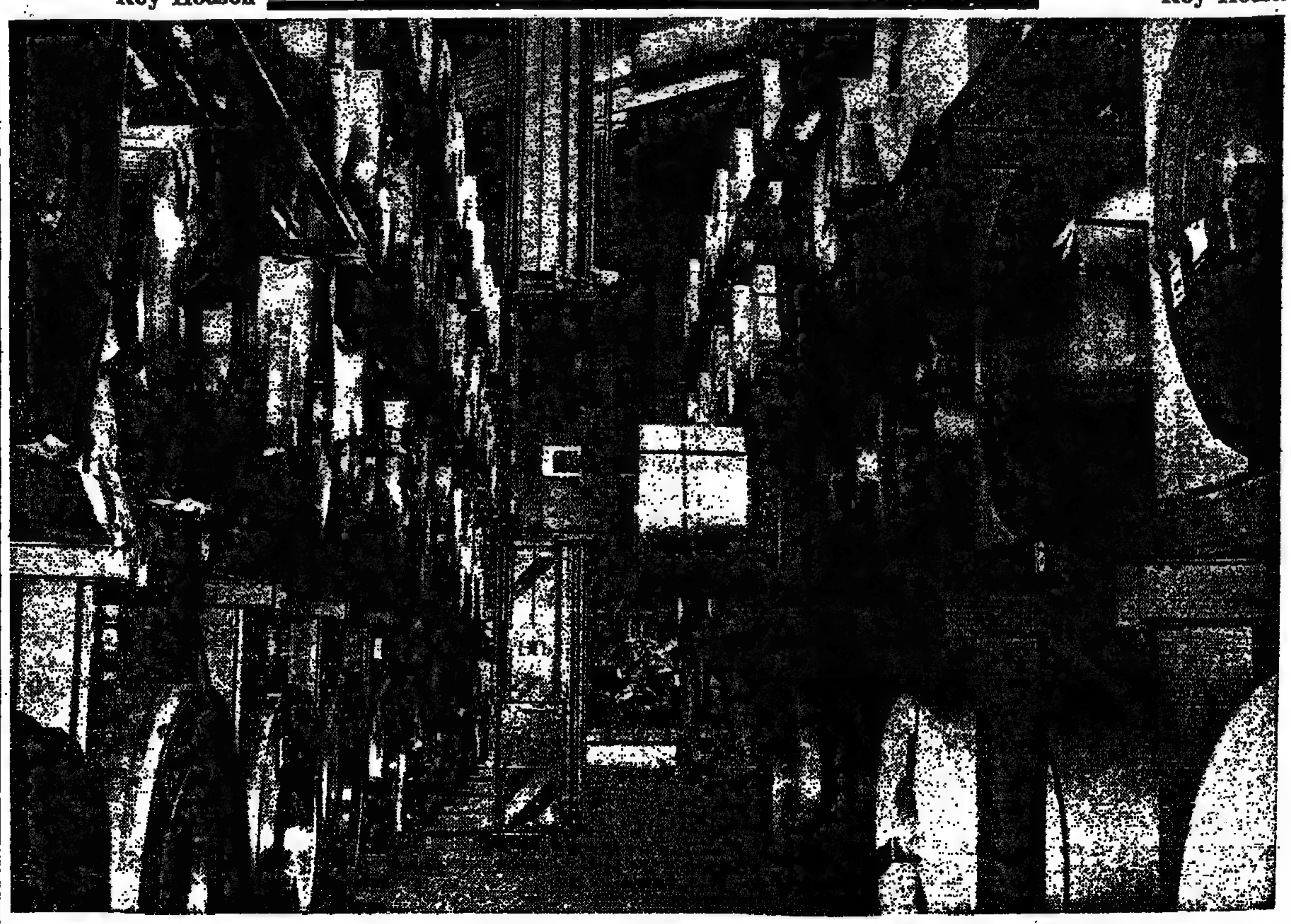
	1972 (m. tonnes)	%	Forecast for 1980 (m. tonnes)	%
Primary transformation (excl. steel tubes)	21.2	22.0	27.0	21.0
of which				
Forging and pressing	4.3	4.5	5.1	4.0
Wire-Drawing	6.4	6.7	8.1	6.3
Cold Rolling and Manufacture of cold formed shapes	5.0	5.2	6.5	5.0
Steel tube industry	12.1	13.6	18.5	14.4
Machinery (non electric)	9.1	9.5	12.4	9.7
Machinery (electrical)	2.6	2.7	3.7	2.9
Shipbuilding	3.3	3.4	4.2	3.2
Automobile	10.2	10.6	12.7	9.9
Structural steelwork	6.0	6.2	7.6	5.9
Building and public works	11.5	12.0	13.9	10.8
Hardware, cutlery	4.4	4.6	5.8	4.5
Cans and metal boxes	2.7	2.9	3.7	2.9
Boilers	3.7	3.5	5.2	4.1
Other	9.3	9.7	13.8	10.7

Source: European Economic Community.

TABLE 2—SALES BY STOCKHOLDERS ('000 tonnes)

	1971	1972	1973	1974	1975
Plates 3mm thick and over	866	934	1,218	1,013	676
Heavy bars and sections	471	615	673	619	469
Light rolled bars and sections	355	367	629	585	414
Hot rolled strip	47	47	71	55	33
Cold rolled strip	20	19	18	15	12
Strip mill products under 3mm	1,262	1,380	1,538	1,166	753
Bright carbon steel	168	184	249	266	156
Stainless steel	56	68	54	50	32
Alloy steel			59	68	78
Total NASS products	3,245	3,614	4,509	3,797	2,623
Total finished steel, non-alloy and alloy	3,748	4,176	5,069	4,336	3,077

Source: Department of Industry.



An aisle stacker crane in use at the Walsall plant of Bore Steel.

Opportunities in Europe

IN A YEAR when tonnage sales have presented a dismal year for steel stockholders the issue of whether more U.K. concerns would make forays into Europe has become one of rumour rather than direct action. Equally continental activity in Britain has been characterised by a note of speculation and anticipation rather than decision-making.

After two years that have been noteworthy for their marked failing in demand, stockholders in continental Europe have been suffering as badly as—and in some cases worse than—their British counterparts.

Against the tide, however, the British Steel Corporation succeeded recently in taking an important step forward in the development of its strategy of expanding its steel stockholding interests at home and abroad by acquiring 75 per cent. of the equity of Walter Blume, the West German steel stockholding company. The price was understood to be more than £2m.

But the attempt by British companies to become directly involved in the European market has also yielded its first casualty in the shape of John Williams of Cardiff, the first of the U.K. stockholding groups to turn to Europe back in 1970.

In that year it linked with Nobels-Peelman of St. Niklaas, Belgium, to set up the Ghent Steel Centre. After three years the operation had eliminated losses and had begun to turn in a profit, but its performance in the past two years has been hit savagely by the general recession and the company found it impossible to continue living with the volatile Belgian market that had seen steel prices fall by 40 per cent. Losses incurred in the Ghent Steel Centre have now been eliminated by the group selling its 50 per cent. share in the joint venture to Nobels-Peelman, recovering its initial investment in full.

After being the pioneers, John Williams has now pulled out completely, though its chairman Mr. H. E. Williams is optimistic that at some point the company will be able to return to the fray with greater success. Mr. Williams said that it came as a great disappointment that the company had been forced to pull out, but the steel market in Belgium had been even worse than in Britain and there were no signs that it might make any marked recovery in the next 12 months.

Nobels-Peelman, the largest steel fabricators in Belgium, has built a works next to the stockholdings premises and bought out the John Williams interest in order to expand the plant area. "We were making losses that we could not see stopping in under 18 months," said Mr. Williams, "now that period might be 12 months. The method of stockholding on the Continent is different to that which operates in the U.K. and we did not feel that we could carry on indefinitely carrying these losses. But we have made a decision to try to go back when things are more favourable."

Margin

One of the reasons for the demise of John Williams was that it was holding very high stocks when the steel price fell by 40 per cent., causing a loss that simply had to be written off. The gross margin on sales was negative making it impossible to carry on indefinitely.

Previously the Continental stockholders had been making very high margins which have enabled them to weather the current storm rather better than John Williams. The steel prices proved far more volatile than John Williams had ever expected and imports coming in from Japan helped to push prices through the floor.

Mr. Williams feels that much has been learned from the involvement with Nobels-Peelman, but he is wary of developments that will take the rules of stockholding in the U.K. towards the different pattern that exists on the Continent, thereby losing the greater stability offered by U.K. methods.

He says: "I still feel that we have got to come closer together and I was hoping that the Continental companies might accept the U.K. form of stockholding which gives a more stable pattern of prices. But we will be back and we hope to do something more with Nobels-Peelman, who have proved to be good friends."

John Williams of Cardiff is clearly bloodied but unbowed after its first downfall in Europe, but it did show the way for several other British concerns to find their feet in the Continental scene which differs in many respects from the home market.

U.K. stockholders, with the exception of British Steel Service Centres, are independent companies buying from a variety of sources at the most favourable rates they are able to negotiate. But on the Continent producing mills have a significant ownership in stockholding, usually involving some commitment on the part of the stockholders to absorb, certain tonnages from the relevant parent mills.

Many continental stockists also perform only merchanting and warehousing operations, lacking the processing capacity which is so much a part of the majority of British steel stockholding operations. Despite the fears expressed by Mr. H. E. Williams about British stockholding taking on some of the characteristics of the Continental operations. British stockists *still look to the opportunity to* provide European steel users with a type of service previously unknown. It is the potential for introducing this new type of business that maintained the British interest in the rest of the European market and gives rise to the current batch of rumours about further involvement.

The most recent major acquisition was that made by the British Steel Corporation, which in April obtained 75 per cent. of the equity of the West German steel stockholders, Walter Blume. Blume, a family-owned company, has about 10 per cent. of the West German stockholding market. Its principal offices and warehouses are in Stuttgart but it has 14 branches covering most of the country.

The main products handled by Blume are heavy and medium plate and hot and cold rolled coil and sheet. BSC is laying great store by maintaining and fostering the goodwill which Blume has built up with suppliers and customers. The transaction has been cleared by the West German Federal Cartel Office and has received the approval of the European Commission. The deal had first to be cleared by the Commission because it is charged under EEC rules with ensuring that companies do not achieve dominant market positions as a result of the acquisition of other concerns. BSC is retaining the present Blume management.

The warehouse south of Brussels belonging to P. and M. Casart, part of GKN Steelstock.

Mr. Clifford Keeler, director in charge of British Steel Service Centres, said the Corporation had been anxious to become actively involved in Europe, and the acquisition of Blume would play a part in BSC developing a proper presence in West Germany. "We would like to acquire more in Europe."

BSSC is now looking through most West European countries to discover where its next acquisition should be made, but no firm decisions have yet been made. "It is a question of making an objective decision to have a presence in Continental Europe, and the timing is to some extent irrelevant," said Mr. Keeler.

On the vital question of how much BSC produced steel should be handled by BSC's continental stockholders, Mr. Keeler could not provide percentages, but he said: "We are very anxious that a proper proportion comes from European sources. One hopes that a proportion of steel will be of BSC origin but it is important that we trade with other European mills and maintain a commercial relationship with European suppliers." But it is not only Europe that has been occupying BSSC attention as they plan the expansion of their steel stockholding interests. The U.S. has also come in for close scrutiny.

Acquisition

A team of BSSC and BSC officials recently spent two months in the U.S. sorting out the possibilities for acquisition, and their report is now being considered by BSC management. But Mr. Keeler says that there are no fixed intentions as yet, though some firm decisions may well have been made in the next 12 months. Again he stresses that it is BSC's avowed intent not to alienate any local commercial operators in the U.S., but to have a full commercial relationship with producers.

So with John Williams of Cardiff on the way out and BSC at the point of entry, what of the British concerns that have survived the recession in Europe and can now look with a little more confidence to the future. With its purchase of the Belgian family-owned concern P. and M. Casart Metallurgical Products, GKN Steelstock acquired in 1974 about 10 per cent. of Belgium's market for stockholder steel.

Mr. Norman Richards, GKN Steelstock's managing director, says that in the past year a lot of attention has been paid to stock levels and stock turnover. The company has been trying to avoid the Continental tendency for going in for bargain buying with some indefinite future sale date, which results in vast over-stocking. "We pay a lot of attention to holding stocks to sales," he says. "On the Continent they are often in the speculation business, which is anathema to us." Stock rotation levels at Casart are now up to about 4½ to 5 times per year, whereas before stock barely rotated twice per annum.

Recovery

This year is showing quite reasonable signs of recovery according to GKN. The flat rolled side of the business which was the first to suffer was already picking up at the end of 1975 and the market for general steels is now recovering. But in a cyclical industry the market for tubes is not yet as bright and GKN believes it will be some time before that side of the business picks up.

But as the industry does recover Mr. Richards expects that a great strain will be felt by the small companies as they try to fund both restocking and continuing deficits. Rather than being closed by the recession, Mr. Richards feels that some small companies, encountering banking difficulties, may well be forced out as the market turns up.

The EEC Commission feels that on the Continent there have ben definite signs of recovery and indeed in January the total of new orders booked by the Steel Community was the highest since July 1974.

A part of the improvement has been the increased activity of the motor industries, particularly in Germany and the U.S., and also in France, through measures taken by the Government, there has been an improvement in the public works industry.

The EEC Commission in their review of the steel industry up to 1980 see an increase in consumption in the Community from a 1972 total of 96m. tonnes to 128.3m. tonnes in 1980. The products that will show the largest increases will be steel tubes, machinery and boilers.

The European Marketing and Consultative Committees forecast that for the quarter April-June steel consumption in the Community will increase by 2 to 3 per cent. compared with the same period last year. Stocks are now normal or slightly below normal over the Community as a whole, but it is out of balance with excessive stocks of heavy plate but shortages in sheet, beams and sections.

The Commission envisages the world steel trade being considerably influenced by the increasing production in countries which up to now have been substantial importers, and it is forecast that although Community exports will increase until 1980 they will probably be adversely affected after that date.

Kevin Done

BSC establishes a presence

OVER THE past couple of years it has been the British Steel Corporation's much heralded entry into the world of steel stockholding which has provided one of the most important features in the stockholding scene and some of the greatest worries among its members. For all the discussions held with the private steel stockholders to discuss the BSC move and for all the planning and logic that went into the development, the Corporation's entry into the field has raised constant questions as to how far its investment would be used in the direct interests of the Corporation, how far it might disrupt the structure of the industry, how far it might be used to control prices or supply and provide unfair competition to the existing companies and how far the Corporation could move into so entrepreneurial field without embarrassing results.

It is now a year since the British Steel Corporation announced the formations of its new subsidiary, British Steel Service Centre (BSSC) and it is now a year since it embarked on a series of acquisitions of companies such as Lye Spencer, Alfred Simpson and Wilson Steel Services. And, with the first phase of its development programme nearly complete, the answers to some at least of these questions are becoming clearer.

Overall, it is probably fair to say that the last year has seen the Corporation keep fairly closely to the aims and means it set itself in its first conversations with the private steel stockholders in 1974. Then, as now, the desire of the Corporation to take a stake in stockholding stemmed from a variety of motivations.

In the first place, the Corporation's strategy of concentrating production over the long-term on a limited number of major coastal plants and the consequential commercial decision to go for selling more and more bulk rather than tailor-made quantities had inevitably increased the role of the stockholder, who could then handle the small customers' needs and even out the cyclical problems which become more acute with size. As long as this was so, then there was an obvious advantage to the Corporation in entering the field as a way of maintaining contact with customers and continuing a direct relationship with them.

Advantage

Following on from this, there was also a clear advantage to the Corporation in maintaining a presence in this field in order to counteract and balance the growth in trade among private stockholders which the BSC's strategy was inducing and the concentration in structure which was accompanying this. The fear of the Corporation—and it was a fear which seemed all too justified when some of the larger corporations approached BSC with a co-ordinated demand for a lowering of prices to them—was that, without some stake in the business, it could be held to ransom by the stockholding customers which had rapidly gained more than a third of BSC's market since nationalisation.

Added to this, when looking at the structure of the European market which the British industry had now ended, the BSC saw that most of its major Continental competitors did hold a substantial stake in the stockholding industry such that something like 70 per cent. of the Continent's stockholding interests were owned by, or associated with, the steelmakers. Both as a defence against possible incursion into the U.K. market by Continental steelmakers and as a means of developing back into the Continent, a move in this direction by the Corporation seemed desirable.

As Mr. Ian Williams, the BSC's Commercial manager, has put it: "The most important advantages for the Corporation were to regain contact with an important group of customers, to instil a greater sense of flexibility in its commercial approach, to protect at least a part of the U.K. industry from takeover, to provide the Corporation with a lever in its commercial negotiations with stockholders and last but not least to become engaged in what has historically been a high profit activity."

The means by which the Corporation chose to carry out these aims were dictated partly by a desire not to disrupt the existing structure of the industry too far, partly to avoid incurring the displeasure of the EEC which had a supervisory role through the Treaty of Paris covering steel and partly to effect a move as quickly as possible—all of which promoted a policy of acquisition rather than building up a presence from scratch coupled with an early statement as to the maximum market share which the Corporation would seek.

Aims

Whether these self-imposed limitations were wise in the event is still open to debate. Certainly there was as much political as commercial in the Corporation's desire not to upset the existing private sector of the stockholding business. If, after all, one of its main aims was to have a lever against them, then there was no real reason to be so gentlemanly about it. A new Labour Government would hardly have worried on that score while the EEC, for all its bark, has proved time and time again to lack the bite when it comes to it.

But there were sound commercial reasons as well. Looking at the experience of the private sector, 15 per cent. is pretty near the maximum that can be gained without losing customers, who naturally like to hedge their bets with several stockholder suppliers. It is doubtful whether the BSC, stretched by a major management reorganisation and all the problems of its long-term production planning, could have managed a speedy entry into the field from scratch. And it undoubtedly needed the all-important customer contact which only acquisition can provide.

Whatever the rights and wrongs, BSC has proceeded along these lines with a fair degree of success. A series of substantial acquisitions — Lye Spencer, Cummins and Cutler, Alfred Simpson and Wilson Steel Services — has given it a stake in all major product groups. Its overall share of the stockholding market is still well short of 15 per cent., at around 10 per cent.

But in a number of the major product groups it has now managed to acquire and develop a share very close to its ambitions. With the acquisition of Lye Spencer it gained a share of around 13-14 per cent. in the stockholding of flat or strip mill products, while with the acquisition of Alfred Simpson, its share of the stainless steel stockholding sector is around 12 per cent. Its weakest point remains that of general steels where, despite the acquisition of the relatively small Wilson Steel Services company of Yorkshire, its share remains not much more than 1 per cent. or so. And it is in this field that the Corporation is still looking around for a substantial acquisition.

To an extent, BSSC has been fortunate. Although its acquisitions have aroused immediate suspicion from the customers of the companies taken over, it has benefited from the consumer worries caused by GKN's takeover of Miles Druce as customers have hedged their bets by going to the newcomer. And it has been able to overcome some of the suspicions by hard selling of its role in the initial weeks of a takeover. So far it has operated largely independently of the Corporation itself, receiving little if any advantage in prices, going abroad for a portion of its supplies and taking advantage of some of BSC's relations with major customers. From the financial view, too, its more recent purchases have taken place at a time when the recession was causing serious strains among some of the stockholders, caught by the classic problems of working capital and high stocks at a time of exploding inflation.

But it would also probably be fair to say that time has not yet tested BSC's stockholding policy. Whether its results as an independent profit unit are broadly in line with the industry as a whole, as BSC asserts, or below the level of private enterprise, as some of its competitors charge, has yet to be seen in the accounts.

The really testing time of an upswing in trade, however, is only just beginning and it is in the upswing that BSC's assurances on independence for its stockholding subsidiary and its ability to act flexibly in the market will be tried. Already the problems of the Corporation's Welsh division have indicated the troubles which arise with supply shortages and there are many who fear that these problems will grow only greater as the economic revival gets underway, leaving the question of whether BSSC will be treated as any other stockholder or as an arm of Corporation policy.

Acquisitions

Nor has BSC's policy of going abroad for acquisitions yet had time to be judged. Its recent German acquisition has given it a useful stake of around 10 per cent. in the German market. As the Corporation sniffs around in France, Belgium and elsewhere as well, there would seem clear advantages in it establishing a presence in the Continent to assist exports, to promote greater market sensitivity and to give it a stronger bargaining position in its discussions on price and supply with its European competitors. But the cost of this policy has still to emerge and show itself in real returns, while BSC's announced interest in the U.S. would seem hard to justify in commercial terms and could possibly be damaging if it upsets the Corporation's relationship with stockholders there.

After barely more than a year of existence, British Steel Service Centre has grown into a healthy lad. But it is still a long way from proving the rightness of BSC's fundamental aims in creating it, just as it still is some way from proving itself in the adult world of cyclical swings and supply strains.

Adrian Hamilton

Pricing policy comes under scrutiny

THE STEEL stockholders have entered wholeheartedly into the current debate about the need for changes to the Price Code. Like other industries, the stockholders believe that if they are not allowed to keep more of the cash they generate there is no way they can afford to finance the increase in trade expected later this year or early in 1977.

The usual pattern is for stockholders to anticipate the upturn in trade and build up stocks in readiness. This helps smooth out the trade cycle for the steel producers and, hopefully, provides a buffer against shortages. But already there are numerous examples of stockholders deliberately restricting the range of steels they carry—especially metric sizes for example—because of cash flow problems.

Investment

The National Association of Steel Stockholders insists that stockholders' investment in stocks of steel is a very close parallel to the manufacturers' investment in machine tools. Both are essential contributions to economic activity—and thus to increased employment. The stockholders' build-up of stock will be of particular relevance to the British Steel Corporation and its ability to meet the upswing in demand when it comes.

The NASS also points out that if stockholders are unable to build up stocks in readiness for the expected recovery, steel shortages could hamper U.K. industry severely. And, because of Price Code limitations, the stockholders have been able to maintain their cash flow only because of their reduced stocks and sales during the recession.

They argue in particular that it is basically wrong for an industry which has a demand cycle covering between four to five years to have to "justify" its operations during each separate year of the cycle.

For a long time it has been accepted for all sectors of the steel industry, including producers, that enough profit must be made in the good years to carry it through the bad times. But the theory of the Code implies that the best years are reduced to the level of the average while there is no way of making the bad years up to the average.

So the stockholders see themselves, if you like, in the position of the motorist who must "average" 30 miles an hour to get from his starting point to destination at the appropriate time. To maintain this "average," the driver must on some stretches lift his speed to 50 or 60 miles an hour. Restrict him to a top speed of 30 and he will automatically take longer to reach the end of his journey.

So while it is true that most stockholders have survived the effects of the Code so far, it is also true that they have managed to do so simply because since the introduction of the Code they have been contracting the physical scale of their business. This is easily demonstrated by Department of Industry statistics. These show that during the "reference" periods sales of steel rose from 861,00 tonnes during the third quarter of 1971 to 1.3m. tonnes in the first quarter of 1973. Over the following years the descent was pretty steep. From 1.34m. tonnes in the second quarter of 1973, the fall was to 1.28m. tonnes by first-quarter 1974, to 969,000 tonnes by the last quarter of that year, down to 749,000 tonnes in the first quarter of 1975 and a further slip to 623,000 tonnes in the final quarter of last year.

In the Department statistics, the lowest figure shown—the third quarter of 1975—is only 41 per cent. of the highest, the second quarter of 1973, which in turn was a quarter at the peak of the cycle and which coincided with the introduction of the Code.

One of the major problems the stockholders have to face when dealing with the Code is that stock appreciation is included at present in calculating gross and net margins of profit. There happened to be a very low level of steel price inflation during the reference period but since then prices have shot ahead and seem certain to continue in that direction for some time to come—the stockholders anticipate that 1976 will show something like a 40 per cent. increase as the steel market improves and enables the producers to begin to recover recent cost increases. (It is important at this stage to bear in mind that the producers, in theory at least, are not bound by the Price Code as they come under European Coal and Steel Community regulations.)

Once again we can turn to Department of Industry statistics to prove just how prices of steel have behaved over the years in question.

Appreciation

The Department's price indices of the output of the steel industry show the following increases from quarter to quarter, starting with the second quarter of 1972 and ending with the final quarter of 1975:—124.1; 128.6; 134.4; 145.9; 178.8; 183.9; 200.4; 210.7; 225.9; 230.6; 237.2. So the stockholders are pressing very strongly for stock appreciation to be removed from the price code calculations.

They also maintain it is wrong for retail distribution to have the same treatment under the Code.

There was a concession made to distributors with a slower turnover when the rules were made prohibiting the marking up of the price items on the shelf. That exception was of no help to steel stockholders.

The basic difficulty is that the stockholders find their cash flow is so different from that of the average supermarket.

The steel stockholder will turn his stock over between four and six times a year, while retail distributors would expect a stock turn of ten times—in the food retailing sector it would be considerably more. The supermarket will have sold its goods before it is called upon to pay for them. It will also have been paid for the goods sold while the stockholder has a considerable debtor situation.

The stockholders feel it would be reasonable for there to be two sections under "distribution" in the Code, with a special concession being made for industrial distributors with turnover rates of the order of the stockholding industry.

The industry would also wish the Code to take account of the Sandilands Committee recommendations on inflation accounting. Sandilands suggested a switch to the so-called Current Cost Accounting (CCA), a method under which stock would, like other assets, be shown in the balance-sheet as its "value to the business" or, to put it another way, at its current purchase price or net realisable value, whichever the lower.

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Structure in the melting pot

: BRITISH Steel Corpora-s decision to build up a ficant share in the steel cholding market has had a ound impact on the struc- of the industry. Not only BSC been active in picking companies in the sector so o develop its stockholding ness the retaliatory action n by the industry's other nt," Guest Keen and lefolds' subsidiary GKN lstock, also sent shock waves igh the sector.

iat the BSC should have ained actively on the take- trail over the past 12 ths is to some extent sur-ng when you examine all constraints it faces.

.e main problem for the oration is that its philosophy any acquisition should be pleted on a friendly basis icts with the extreme tance on the part of the agements of stockholding panies to leave the private r and become part of a nalised organisation—and a nalised business which has than its fair share of well-licised difficulties.

rhaps the recession has had ething to do with it, but inly BSC has managed to friendly partners against expectations of many people ie industry.

The Corporation apparently feels that a 15 per cent. share of the U.K. stockholding market would be appropriate with its declared policy of "co-ordinating production and distribution so as to provide an improved service to customers, both in the U.K. and overseas." But it also seems that protecting its production side by making sure that it has "captive" stockholders is an important element in the BSC scheme of things.

Clear

This became extremely clear just under a year ago when its stainless steel business, already deep in the mire of the recession, suffered a further blow when Cashmore's Glynwed, one of Britain's two largest stainless steel stockholders, gave up its "special relationship" with the Corporation. Cashmore's had been one of the BSC's six "aligned" (or approved) stainless steel stockholders under a scheme dating from the end of 1973 under which the six agreed to take at least 80 per cent. of their stainless requirements from the BSC in return for special terms.

Cashmore's pressed the BSC to cut the required "quota" to 50 per cent. because it was disturbed about delivery, availability and quality during peak periods of demand. When the Corporation failed to agree, Cashmore's decided not to renew its contract. The BSC was left with the alternative of either getting the remaining five stockholders to increase their offtake, or to buy its own stainless steel stockholder in an attempt to make up at least some of the deficit.

Within three months the Corporation had decided the right answer was to buy. It stumped up £3m. for the stainless stockholding business of Alfred Simpson, previously a subsidiary of the Head Wrightson group. With around 10 per cent. of the market, Simpson was third largest of the stainless stockholders (after C. Walker and Cashmore's) with a reported turnover of £4.3m.

Simpson, with 136 employees and operations at Swinton, was slotted into British Steel Service Centres Group, formed a little earlier last year to bring together the Corporation's various stockholding businesses (as well as its reinforcement interests). It operates independently of the main steelmaking activities. Behind this swift maneouvre was the BSC's stainless strategy which aims to double capacity by 1978, taking it up from 100,000 to 220,000 tonnes.

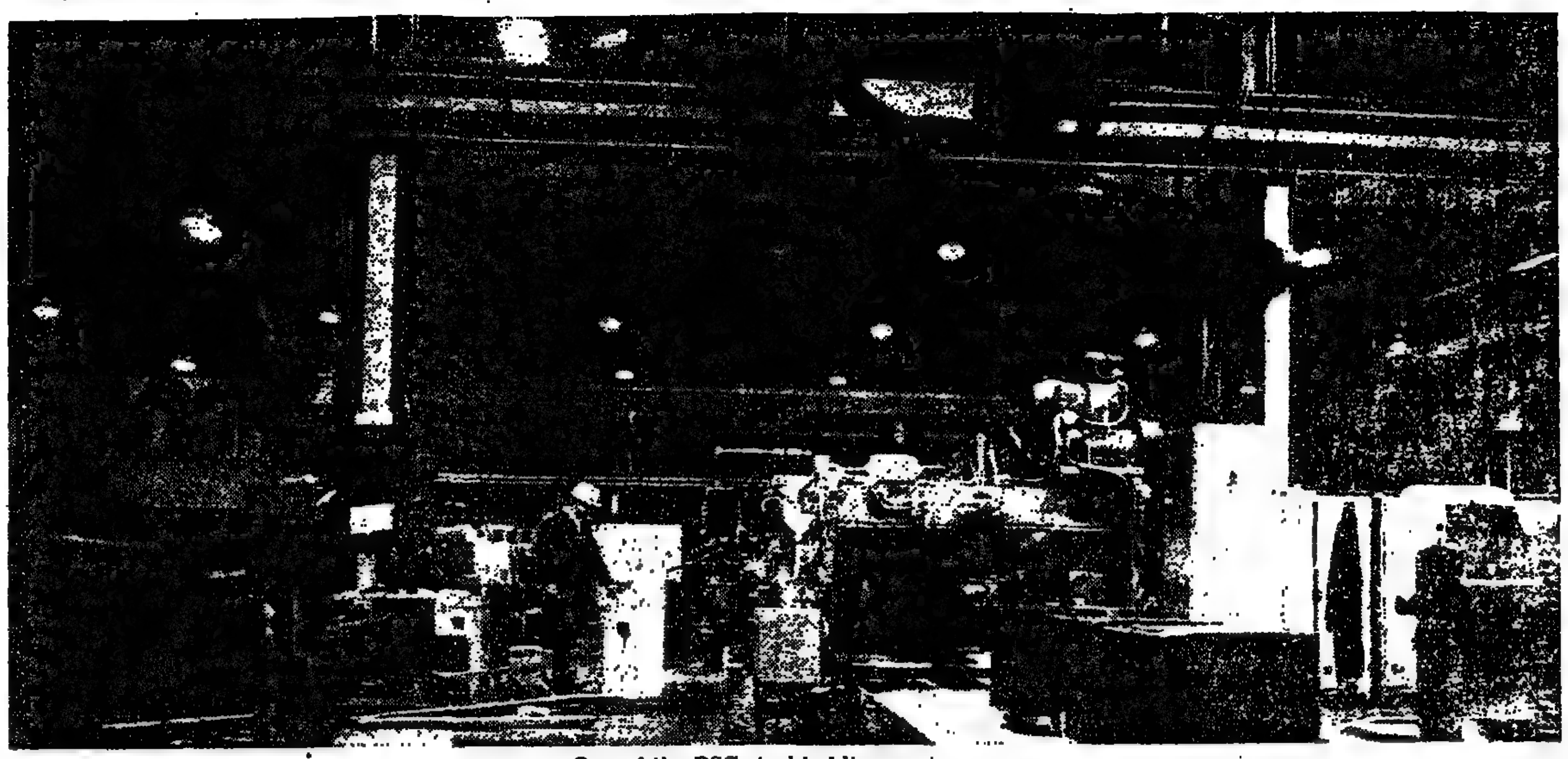
Although "bigger" does not necessarily equate with "better," the European Coal and Steel Community Commission has in the past said it would welcome the stockholding industry forming itself into larger groupings so as to ensure better competition.

Last year the National Association of Steel Stockholders raised this point with the Commission in an effort to find out at what level of growth a big company ceased to provide more effective competition and stepped over the line to become an undesirable monopoly. The Commission replied that the position varied from country to country but that it had already taken the view that 25 per cent. of the stockholder market was the absolute maximum that would be permitted in the U.K. So here is one important obstacle to any organisation wishing to dominate the British business.

There are other obstacles, too, and it can seriously be asked whether any company could reach even 25 per cent. of the overall market as this would indicate growth by acquisition as well as internal growth.

For indications are that unfriendly takeovers take a long time to sort out and that BSC is right when it says only friendly mergers should be contemplated.

Steel stockholding is a very personal business and the personality, expertise and contacts of the man who runs a local stockholding depot is often a major factor in its success. It is vital that the company doing the acquiring should remain on good terms with management and senior employees of any business it takes over.



One of the BSC stockholding centres.

Contested

It is true that an unfriendly welcome did not deter Guest Keen and Nettiefolds pushing on with its bitterly contested bid for Miles Druce, then the largest stockholding concern in the U.K., through every possible obstacle. The battle dragged on over 2½ years with Miles Druce hoping at the end that the ECSC Commission—which has the last word about such mergers—would block it.

In giving its approval, the Commission noted that the stockholding interests of the two groups (GKN's stockholding business was slightly smaller than that of MD) world accounts for around 20 per cent. of the U.K. market in basic steel products and it did not find this objectionable.

GKN had argued from the start that Britain's membership of the Common Market provided opportunities and challenges which GKN and MD together would be "better placed to contend both defensively and aggressively." It was claimed that they would be able to "provide an enhanced and more flexible service to customers and be sufficiently strong to meet future competition from other existing or emerging large steel stockholders, particularly those associated with major steel-producing organisations."

So even at that stage GKN was expecting BSC to emerge as a major stockholder, thus emulating many of the European producers. GKN maintains to this day that stockholding companies must become larger to put them on more favourable terms when negotiating with enormous suppliers like the BSC and equally huge customers like the National Coal Board and ICI.

There is no doubt that the underlying logic which convinced GKN it should become a major force in stockholding remains just as strong to-day. But to the interested outside observer, the acquisition of MD provided a useful case study of the problems involved in this particular industry.

The pre-takeover bitterness continued for a while as senior MD men left the group. And it was natural that they should take some of their customers with them. Other customers left because they did not fancy the prospect of dealing with large organisations anyway. Many of MD's diversification had to go because they did not fit in so well with the mainstream business as far as GKN was concerned.

The upshot has been that, although GKN can now claim to have successfully merged MD in with its own operations, there must remain some major doubts about the price paid. So, not only will it still take some time for GKN finally to assimilate the MD business and to look around again for further acquisitions, but the prospects of any company in the sector making an opposed bid in the future seem remote.

Kenneth Gooding

ricing

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ie charge in the profit and account for "cost of sales" ld, under CCA, reflect the ue to the business" of s consumed during the ; that is, the current cost tock at the time it is used. could involve the use of rice index. It was recommended by Sandilands that the ernment's statistics service d help in compiling these e indices.

'o take account of CCA, ndilands recommended that the Chancellor should continue the temporary form of stock relief and also that the Price Code should calculate gross and net margins on this new basis of accounting. Indications are that this is certainly one of the changes under consideration for the Price Code to take effect in July. Whether stock appreciation will be excluded from the Code's calculations, however, remains in some doubt.

Kenneth Gooding

Imports take the strain

TO SAY that relations between the stockholding industry and the British Steel Corporation, particularly on the issue of imports, have been strained over the last year or so could well be called an understatement. After all the supply problems of the boom period through 1973-74, with its accusations and counter-accusations of whom had been unhelpful to whom, the period of recession and overcapacity in plant has only seemed worse rather than better.

Some of the difficulties can be ascribed to the natural tensions arising from an expanding, essentially entrepreneurial business such as stockholding coming up, and being dependent on, a nationalised industry corporation such as BSC. And to a certain extent some of the production problems of the BSC over the last few years can be ascribed to the inevitable difficulties of modernisation of an industry only recently nationalised, still coping with the inheritance of 14 different companies with local loyalties, continuously thwarted by political indecision or interference and attempting to introduce a degree of productivity in extremely difficult labour circumstances. It is all very well to say that supply difficulties should be the last occurrence in a time of shortage, but a recession is bound to provide both the opportunity and the obstacle to modernisation and an attack on overmanning—a situation made only the more difficult when a company is trying, like the BSC, to bring in new plant at the same time.

Blame

Nonetheless, BSC must take its share of blame for difficulties which have hit its Strip Mills division in a quite particular way, causing severe problems in the supply of flat products as a result of strikes, the difficulties of controlling quality at a time of reduced throughput and the delays in bringing new capacity, such as at Llanwern, on stream. Having produced a long-term plan, BSC has seemed particularly inflexible in its response to changed market circumstances and the special problems of individual divisions. And once having established a pattern of supply problems, compounded by severe restrictions on sales of strip mill products over the winter and warnings to its customers to go elsewhere for as much as 50 per cent. of their supplies, it can hardly be surprised that stockholders have done just that and tied themselves to foreign suppliers over a longer period.

This is precisely what seems to have happened. Over the last few years, despite the substantial drop in demand, the volume of imports has continued to remain stable if not actually rising while the proportion of U.K. to foreign sales to stockholders has declined. Figures produced by the National Association of Steel Stockholders show that in most products, deliveries to stockholders from U.K. production has declined in both volume and percentage over the period 1973-75, quite drastically in the case of plates and light rolled bars and sections, where the U.K. percentage last year was little more than 30 per cent., and at a slower pace in the case of stainless steel, where the percentage was around 46 per cent. Of total products handled by the National Association of Steel Stockholders, U.K. deliveries last year at 2.4m. tonnes formed no more than 31.5 per cent.

Imports as a result have continued to rise, reaching a total of 3.7m. tonnes, or 16.5 per cent. of total consumption, against only 1.6m. tonnes, or 10.7 per cent. of consumption, only five years ago. Of this more than half was accounted for by strip mill products and, while the overall stockholders position including BSC is not exact, stockholders must have accounted for a good deal of this.

The question dominating stockholders and their relations with the British Steel Corporation to-day is how much longer can this trend continue, particularly as the Corporation appears to have reached the unusual stage of having difficulties in supplying at present but seeming to be destined to have substantial surplus of capacity over the longer term as a result of its ambitious investment programme.

The immediate signs cannot be said to be good. The Corporation's warning to customers that it would not be able to meet nearly their normal demands, particularly for strip mill products over the last quarter of last year and the first quarter of this year—in some cases customers were reduced to less than half their expected take—has undoubtedly had the effect of turning many of them to long-term percentages of imports. Again the figures are hard to come by and vary from stockholder to stockholder depending on specialist products. But the general picture seems to be one in which stockholders, having once hoped to stabilise imports at around 15 per cent. of requirements are now looking at a pattern much nearer a third if not more.

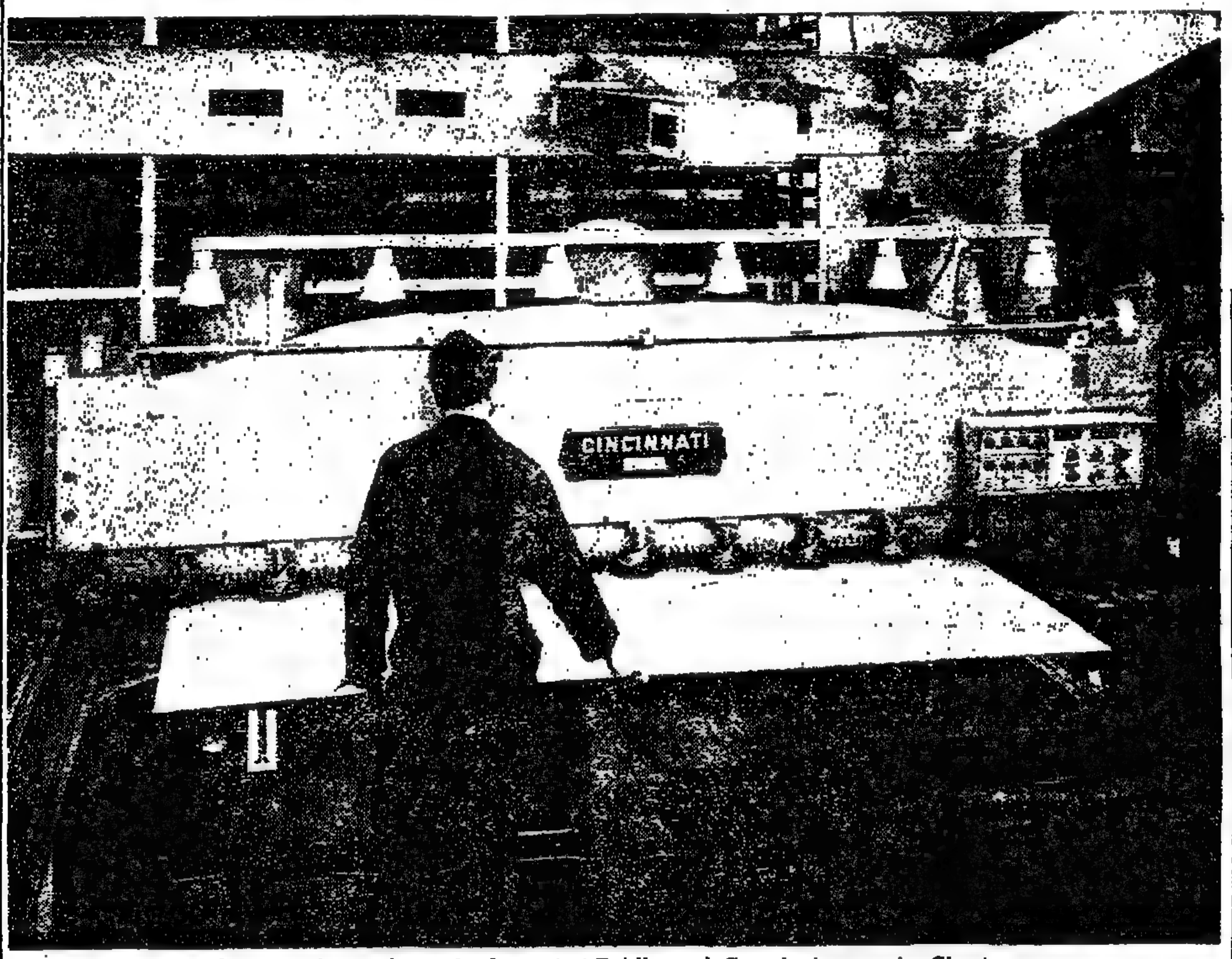
BSC argues that, in the second and third quarters of this year, it has managed to greatly improve the picture, that allotments are no longer necessary for most products and that it can cope with the upsurge in demand. In addition it does seem to have managed to agree with its Continental competitors both an informal restraint on exports into Britain and, just as important, a surprisingly close pricing structure which ensures little undercutting in Britain—indeed the opposite as sterling is devalued.

But stockholders have yet to be convinced of BSC's promises, and not without reason. As the upturn occurs, there are still shortages of products, again particularly of hot-rolled and heavy coils. BSC's production problems remain, caused especially by its delays in bringing new blast furnace capacity on stream. The labour scene may have improved of late but, especially as BSC is still in the early stages of implementing plant by plant de-manning, this situation may worsen again. Added to that, BSC's problems have encouraged a growing incursion into the stockholding and processing market of foreign steel companies who look very much here to stay.

It is this situation that has encouraged the British Steel Corporation to embark on a counter-cyclical steel stocking scheme (only partially successful to date), to invest in distribution warehouses and to encourage stockhoders to tie themselves to BSC at discounted prices in the field of stainless steel and plate. It is this situation too which seems to have encouraged BSC's Board to consider—whether Sir Monty Finniston was quoted correctly or not in remarks made earlier this year—trying to become the sole or at least main agent for imports to control the market.

Ultimately, however, these moves can only be palliative. For all the accusations and counter-accusations, experience does not raise confidence in the BSC's future performance. And it is the Corporation's future performance which matters. As the upturn comes, BSC has still to prove that it has got a real grip on its production and labour problems, that it can meet demand and that it has got its investment programme right. If it can do so, then a lot of the problems can be solved and can look forward to the day of a modernised exporting industry in co-operation with the stockholding industry. If it cannot do so, only direct Government intervention can stop the stockholding industry increasing its role as importer and quite possible exporter of steel. Whether it likes it or not, BSC remains on trial—a trial that has already had the effect of turning stockholders to foreign suppliers in a way that will not be easily reversed.

Adrian Hamilton



Cutting a large sheet of colorcoat at Bridle and Cross's factory in Chertsey.

Growing need for the specialist

PRESSURE TOWARDS specialisation by stockholders inevitably *becomes more intensive* as the industry introduces expensive new machinery and offers sophisticated management and materials handling techniques.

While the strength of the stockholder is to offer early delivery of an extensive range of products, it becomes even *more difficult to provide* a completely comprehensive service. Rather he must have the flexibility to anticipate market demand and vary the balance and range of stock accordingly.

There are recognised specialists to supply steel for anything from a horseshoe to a battleship, but it is usually more a question of emphasis than outright commitment to a particular market or range of stock.

The U.K. stockholder, unlike most of his counterparts within the other countries of the European Economic Community, operates much more than a warehousing and merchanting operation. He has traditionally also taken on the role of processing his product: decoiling, slitting and blanking sheet steel, and sawing to accurate lengths bar, tube, and section.

The incentive to undertake such activities on the Continent is less because stockholders are often tied to steelmills and the price margins between the producer, stockholder, and final consumer is narrow.

In the U.K. the stockholder acts as a buffer between producer and consumer and has a fairly sophisticated task. The producer has an advantage in that he can concentrate on long production runs and transport *the product away from the plant* quickly without having to apply a wide range of finishes to suit the particular needs of each client.

The consumer has a benefit in that he can rely upon the stockholder to process the steel and offer carefully programmed deliveries of a product which can usually go straight onto the production line.

Among the most widespread processing techniques are cutting to length, repetition cutting, profiling and shearing. Stockholders point out that the cutting of heavy bars and sections to exact lengths means that wasteful off-cuts may be avoided. Possible delays in the production cycle can also be averted through high speed repetition cutting, which allows the material to be taken direct to the production area. Sheet and plate can be sheared to the exact size required and the thicker material can be profiled to a determined shape.

Range

As the range of equipment available for processing becomes more expensive and sophisticated the number of companies which have the throughput to justify investment is less. This trend is likely to accelerate the tendency for a two-tier structure to develop.

Some of the major stockholders already take large orders from the mills and subsequently deliver to smaller operators. The small companies still have an important role in that they can offer a personalised service to meet the individual requirements of *smaller customers. Not only* are they close to the market but they can also offer specialist knowledge of particular products.

For their part the major stockholders can gain economies of scale and can often provide national delivery through a network of warehouses. A factor which must influence this trend is the proposed British Steel Corporation investment programme, where the emphasis is upon a small number of high output works. As production runs become longer and the scale of operations bigger, the large stockholders will be called upon to pay their part in speeding up distribution to prevent bottlenecks in supply.

Pattern

Within this pattern an obvious matter of concern for the stockholders will be BSC's proposed chain of steel distribution centres, the first one of which opens this year at Bilston. Although the corporation has given assurances that the centres will only handle steel already ordered and on its way to customers, the stockholders will be watching carefully to ensure that the State undertaking does not impinge on their territory.

The problem for the stockholder in deciding whether to invest in new equipment, which will enable him to meet specialist requirements, is not just one of technology and capital but also one of manpower.

Sophisticated machinery brings the need for skilled operative and maintenance staff.

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Metrication difficulties

[W]ITH THE steel stockholding [tra]de likely to improve steadily [in] future, the metrication issue [re]mains a tiresome problem for [ma]ny companies and while the [lon]g period of transition con[tin]ues valuable capital remains [tie]d up in the great range of [siz]es held.

Last year was supposed to [ha]ve been the time for a major [ad]vance in the changeover, but [it] is now widely realised that it [co]uld be a decade before the [gr]eat majority of business is [tra]nsacted in metric sizes. [Cl]early the complexity and [ov]erall difficulty of the opera[tio]n has been underestimated.

Indeed, there is even evidence [of] the programme going into [rev]erse in some respects, with [so]me companies cutting back on [th]e number of metric sizes held, [an]d the trade held responsible [for] the lack of advance of [me]trication in industry due to [lac]k of sizes. However, it can [als]o be argued that lack of [de]mand for these sizes is the [cau]se.

[Ins]ufficient

Although much of the [cri]ticism is directed at the [tra]de, which has not seen eye [to] eye with the Metrication [Bo]ard on all matters, it is felt [th]at the Government's level of [fin]ancing for the Board has [ha]rdly been sufficient to [pr]omote fairly simple areas of [co]nversion, let alone the com[pl]exities of steel sizes. [St]andardisation has also been [de]layed by the faintly ridiculous [pr]ovisions, in this context, of [th]e Restrictive Trade Practices [Ac]t, although these have now [be]en waived and the matter [no]w rests in Brussels under the [pr]ovisions of the Treaty of [Pa]ris.

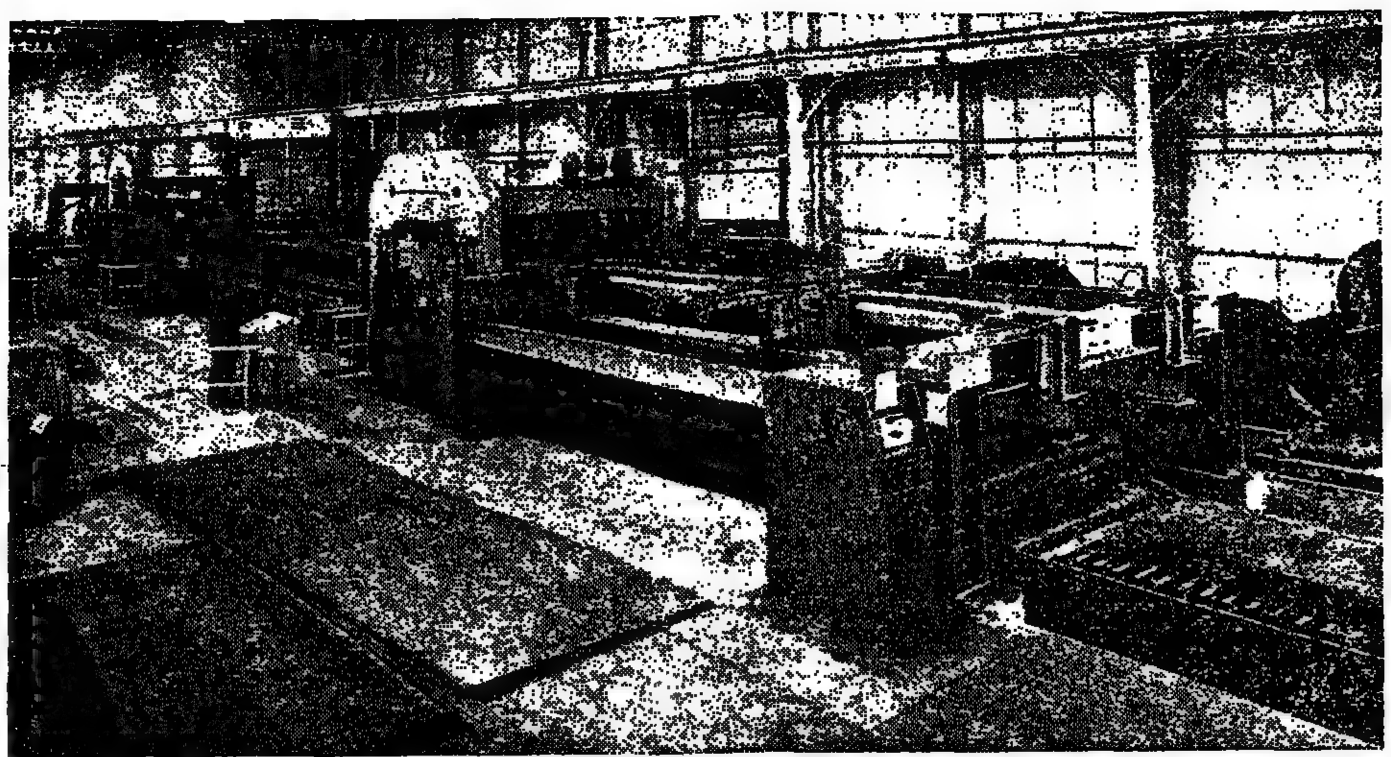
Nevertheless, it can be hoped that an increase in demand will help to speed the process, perhaps allowing stockholders to be a little more persuasive in their efforts to sell in metric sizes wherever possible. During the downturn quite the opposite has been true, with customers calling the tune.

One of the more disconcerting trends has been the conversions of Imperial sizes into the metric equivalent which have been perpetuated for commercial reasons. Many of the sizes which should by now have disappeared from use have in fact remained unchanged.

Perhaps the most hopeful sign is some recent progress towards the introduction of standardised sizes in Europe, where angles, squares and flats are the subject of Euronorms. These will list all sizes which are standard in Europe and that are expected to have substantial commercial significance.

It appears that these items will be rather shortened in ranges of sizes and various countries are still seeking to ensure carryover periods for sizes which are peculiar to them and still popular — though outside the Euronorms. British producers are anxious to be kept advised so that stockholders might be able to advise customers not to base new designs upon sizes which may disapear or become relatively more expensive.

But this is unlikely to stimulate the kind of change now needed in Britain, where the role of the Metrication Board is regarded as helpful, but not sufficiently influential to bring about the desired results. As has already been pointed out, it will need either a carrot or a stick for meaningful results.



One of the few 13mm. high tensile plate decoilers in the country is at Cashmore's depot at Great Bridge, Tipton, West Midlands.

In some cases manufacturers have introduced price advantages for metric sizes and in other cases they have simply stopped producing Imperial and industry has had to adapt, but this can only be attempted in limited areas. In many cases it would create chaos.

One thus returns to the important and much argued matter of what role the Government can and should play in speeding up the process. A primary function which could have far-reaching effects is clearly possible in the nationalised industries and the many different Government buying agencies, where metric could be introduced by compulsion.

As a minimum of activity, it is felt that Government ought at last to ensure that its agencies should make some effort to move to metric, rather than remain immobile. In the area of legislation much has been done to ease the problems of all those concerned, but little action has been taken to compel change, perhaps in the belief that such methods would prove ineffective.

It is felt in the industry that funds available to the Metrication Board for promotion and information is far from adequate and that the Government should take steps to correct this situation. It has been suggested that the Board's campaign ought to be revitalised if it is to be really effective.

The most notable advance so far appears to have been in plates, where standard sizes are metric, but Imperial sizes are still generally available. The price advantage available here has clearly been an important factor in the scale of changeover.

Another advance which has come to be regarded as an important step is that all steel is now sold by the tonne or 1,000 kg. which is certainly contributing to a reduction in administrative costs. In general steels a range of metric products is available, including angles, black bars and flats. On the other hand, universal beams sold in metric measurements actually turn out to be the old 27 inch by 10 inch product.

It has also been suggested recently that because the International Standards Organisation is still working to establish a generally recognised series of sizes, British producers should not be blamed for waiting until this is established before making the very large investments in new rolls that will be involved in a new series of sizes.

For hollow sections, agreements have reportedly been reached, and the Tubes Division is now going true metric; with the British Steel Corporation a world leader in this field its difficulties in making the change were perhaps eased.

According to experts on metrication, bright bar has always been regarded as an extremely long overlap between metric and Imperial and the present signs are that this period will be even longer than first expected.

Designs

Stockholders have, for many years, had extensive stocks of bright metric, but still the Metrication Board has had complaints that consumers are unable to obtain the metric they need to change their designs. The National Association of Steel Stockholders has been active here in putting prospective customers in touch with the right company.

It appears that this kind of activity, and a far more aggressive role by the Metrication Board, are essential to the industry if it is to get through this unsettling period of change with the least possible inconvenience.

Lorne Barling

Processing equipment

[T]HE ROLE of steel stockholders [in] the processing of the product [h]as changed enormously in [re]cent years, with an ever in[cr]easing involvement by stock[ho]lders which they appear to [ha]ve welcomed and prospered.

However, the path they have [be]en following during this [pe]riod, with more and more [inv]estment in bigger and more [sop]histicated processing equip[me]nt, now appears to be taking [a d]ifferent direction. At present [the] value of investment in the [U.K]. industry is valued at [aro]und £50m., but the soaring [cos]t of capital equipment means [tha]t this will have to be [inc]reased substantially if [mo]dernisation is to be [att]empted.

[I]t is known that many stock[hol]ders are unhappy at the pro[por]tion of their capital which [is t]hese days tied up in their [stoc]ks, particularly when faced [wit]h important new develop[men]ts. More and more work [con]tinues to be transferred [fro]m the mill to the stockholder [and] there is now talk of 5/8 [inch]es decoiling and also the [intr]oduction of integrated decoil[ing] and blanking lines.

[T]here is also the ever increas[ing] size of coils to consider and [it i]s foreseen that they will [soo]n reach 25 tonnes, compared [to t]he two or three tonne coils [whi]ch have been common in the [pas]t. Widths are also expected to be substantially increased where possible.

Some of the problems being experienced and likely to lead to increased capital investment include the inability of 6 feet guillotines to be able to handle two-metre plate. But this is a fairly minor difficulty when the longer term problems of integrated (and hopefully cheaper) processing are considered.

It was recently estimated by Mr. Michael Worley, chairman and managing director of William King, that the U.K. stockholding sector includes more than 1,000 metal sawing machines, more than 150 wide sheet and plate coil cut up, slitting and combined lines, and nearly 100 profiling machines and other equipment. All this is reckoned to be worth around £50m.

Coil

But at to-day's prices the cost of a coil processing line can be as high as £500,000 or more in some circumstances. The comparison shows the essential change in the scale of operations and indicates the need for a cautious approach even by the largest companies. The major necessity in the installation of such equipment is the assurance that it will be in use for a very high proportion of the time.

At William King, policy has been to concentrate all stocks of flat rolled coil and processing facilities at one works, where up to 30,000 tons of coils can be stocked and ten wide coil processing lines are available. Mr. Worley has posed the question of how the processing facilities can best be applied and seems to answer it with his company's operations.

Recent developments in electrical controls systems, fast acting shears and other technical advances have allowed processors an even greater ability to satisfy the needs of the customer. Until only a few years ago stockholders were only equipped to cut coils to length up to 4 mm thick on slow, simple plant, Mr. Worley has pointed out.

It is estimated that there are now well over 100 cut-up lines in the country, with widely ranging capabilities. Some of the more modern lines combine the facility to trim to width, or to slit to multiple widths, all on the same line. With two dimensional cutting involved, the question of accuracy remains the prime consideration.

The more complex these lines are, the more reliance is placed on a consistently good quality of ingoing parent steel coil, on very accurate setting standards and on excellent operator technique. Complex lines also tend to be time consuming to set, both at the slitting heads and at the stacking units. On the other hand, more conventional stacking units can be mechanised and change round time eliminated. The production of multiple blanks complicates this, Mr. Worley points out.

At the heavier end, plate from 3 mm. to more than 300 mm. can be profile-cut although at the thin end of the range accuracy difficulties are likely to arise due to flexing of plates. But modern equipment available includes multi-cutting nozzle machines controlled by an electronic eye.

Speciality services available extend to high pressure equipment for mild steel plates more than 200 mm. thick and plasma-arc machines suitable for cutting stainless steel. Other specialist equipment is available for processing stainless steel, such as the application of a protective plastic film to be polished stainless sheets.

Mr. Worley believes that future developments in stockholding will involve gradual change, but that the role of the stockholder will be extended, providing a wider range of services to the customer. Nevertheless, his main reason for buying from stockholders will remain financial, or avoiding the "cost of possession."

Flexible

But he raises the point of costs the stockholder has to bear, suggesting that one way of easing the pressure is by stockists holding steel in a more flexible and convertible form. "We have seen the transitions from sheet to sheet coil, from short to much longer lengths of beam and section, the partial transition from plate to plate coil and we may yet see the transition from flat and section to yet more plate coil and the installation of complex cutting and fabricating facilities, such that many sizes of flat and section could be made up from heavy plate coil, slit, cut to length and where necessary fabricated," he said.

It is suggested that this type of development could have a substantial influence on relations between stockholders and mills; furthermore it could assist the mills' overall requirement to continue to roll still larger quantities on the same line.

Finally, it has been pointed out that the role of stockholders could be expanded considerably, particularly in the area of work now being carried out by consumers. It is argued that the scale of integration now being envisaged by stockholders could make this work far more economic for them to undertake, but companies may be wise to consider the cost of investment in such projects in the light of likely returns.

Lorne Barling

[S]pecialist

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[som]e of whom may have to be [spe]cially trained. New demands [are] also placed upon manage[men]t to ensure that resources [are] utilised to the maximum.

[If] the throughput is suffi[cien]t to justify the expense, [the]n a very small data process[ing] installation can be of con[side]rable help to management [in r]educing the time taken to [ge]t an order. Such systems [may] simply give better control [of c]utting operations and stock [cont]rol, but more elaborate rou[tine]s are available. These may [pro]vide optimum location of [sha]pes to be cut in sheet [mat]erial to give minimum wast[age] and cutting.

[I]n a fiercely competitive [env]ironment, decisions to move [into] specialised processing areas [or] to set up specialist divisions [need] a great deal of forethought [and] planning.

[Alt]hough the impetus is [obvi]ously towards some kind [of] two-tier system, it is not clear how far the process will go. Certainly, there is little chance that the formal system operated in West Germany will be introduced. Under this system stockholders are divided into two separate classes. The small stockholders by law can only buy from the large operators, who buy direct from the mill and impose a handling charge.

In the U.K. stockholders declare that theirs is an entrepreneurial industry where both flair and judgment are required to anticipate market trends. There is an obvious bonus for the company which moves in quickly and fulfils the demand first.

Responsive

Every company is specialist to the extent that it tries to identify the sector of the market to which it is best suited and gears up its operations accordingly. A good example of how responsive the sector has been to new demands is provided in Scotland, where stockholders have quickly become attuned to the needs of the offshore oil industry.

The high cost of the rigs means they must be fully utilised. This puts a premium on quick maintenance and repair. At least one supplier takes orders through the night and will fly steel out by helicopter at first light.

Stockholders have passed through a period of economic recession where it has been important to re-assess operations and markets. As the upturn begins to become more widely based, companies will be seeking out new opportunities, and where a customer requires specialist service a quick response is likely.

Arthur Smith

Training hones competitive edge

MANAGEMENT EXPERTISE is increasingly important to the steel stockholder, striving constantly, as he must, for greater efficiency to enable him to keep his rightful place in a highly competitive field. Management must seek to remain abreast of all the trends and problems arising from accounting, administration, sales and marketing, warehousing, and transportation.

Neglect of any of these aspects of management can lead to a significant deterioration in a company's performance. Each company places a different emphasis on the separate aspects of management. It is the differing proportions of this emphasis which leads to a stockholder's individual style of trading with its customers.

In an increasingly complex world, it is hardly surprising that certain aspects of management become the responsibility of those with particular professional or commercial qualifications. This helps in the search for new management material which can be either hired or, if a post is to be filled from within the company, trained to fulfil the qualifications required.

Similarly, and depending on the proportion of skill to time required, the retention of consultants in various fields obviates the need for internal company training.

Expertise

The benefit of expertise must never be underestimated, but it is vitally important for the efficiency of senior and middle management that the need for everyday training is recognised on a universal basis and not merely with direct reference to the needs of a particular company.

To be able to call on outside knowledge and experience is the simplest way of improving overall efficiency and of helping to create a healthy base for expansion whenever the opportunity presents itself.

Through its Development and Education Committee, the National Association of Steel Stockholders (NASS) offers the resources university courses at Warwick in addition to regular "working week-end" courses throughout the country. Few, if any, trade associations offer such training facilities to their members.

For the larger company there are many kinds of external training aids, which do not necessarily involve a great deal of cost in relationship to the number of personnel employed.

In the north east, for example, it is worth while examining the progress and development of the Durham University Business School, which, while following an academic approach, is becoming increasingly involved with commercial attitudes.

"This development is proving beneficial to both sides, and makes it increasingly worth while for the stockholder to use the facilities of institutions like the Business School," said Mr. Edward S. Johnson, chairman and managing director of Edward S. Johnson and Co., of Blaydon-on-Tyne and Barnsley. "The smaller company in particular now has a unique opportunity, because of Government policy, which is increasingly sympathetic to the needs of the smaller firm, to widen its knowledge of business affairs beyond the usual detailed attention to day-to-day functions."

Mr. Johnson, himself a former chairman of the NASS D and E Committee, and whose company continues to support the NASS courses, added: "Training, not for training's sake, but properly considered and balanced throughout any company, should enable management at all levels to take better decisions. This will help to make the company more competitive, although it cannot ensure that the decisions taken are necessarily the right ones."

An insular approach to training, which, of necessity, includes a two-way exchange of information, can only ensure that a company remains static and eventually retreats in its own competitive field.

"In my own company, I think it is reasonable to say that we have always sought to make the utmost use of skills available to us, and every managerial appointment is made after weighing the alternative benefits of promotion after internal training or purchasing outside skills," said Mr. Johnson.

His company, of medium size and expanding, cannot afford to neglect any of the skills that make for greater efficiency. Close by, he has the competition of GKN Steelstock, the industry's giant, Robert Frazer and Sons, big in stockholding and constructional engineering, Monkhouse and Brown, and other stockists.

Capacity

Mr. Richard Cashmore told delegates at a recent NASS working week-end at York, "The halcyon days of growth in steel stockholding are over. Warehouse capacity has been increased greatly over the last few years, but perhaps the limit has about been reached."

On the other hand, Mr. John Annetts, NASS chairman, will tell members at their AGM at Gleneagles this morning, "I believe there is still growth to come. Our market share can grow still further than the present 35 per cent. share of the market."

One thing is certain. There will be continued need for increased efficiency; the demand for training facilities must increase. Not all stockists appreciate the need for, or the value of, organised training.

"Quite frankly, I would rather have a comedian on my staff than a metallurgist." The remark was made by a stockholder in London's East End. Pritt Steel Stockholders has been in business since 1883. From its premises in West Ferry Road, E.14, it offers general steels and strip mill coil and sheet. It has an impressive range of processing equipment. Yet, Pritt sees no reason to employ highly trained personnel or to use any organised training. It believes that a sales representative's personality is of greater value than his product knowledge.

At the other end of the scale, a company which leans heavily on its metallurgical resources is Uddeholm, of Rubery, Birmingham, which claims to be the U.K.'s leading supplier of tool steels and which has an impressive array of processing equipment for sawing and grinding to customers' requirements. Technical back-up services exist for all products.

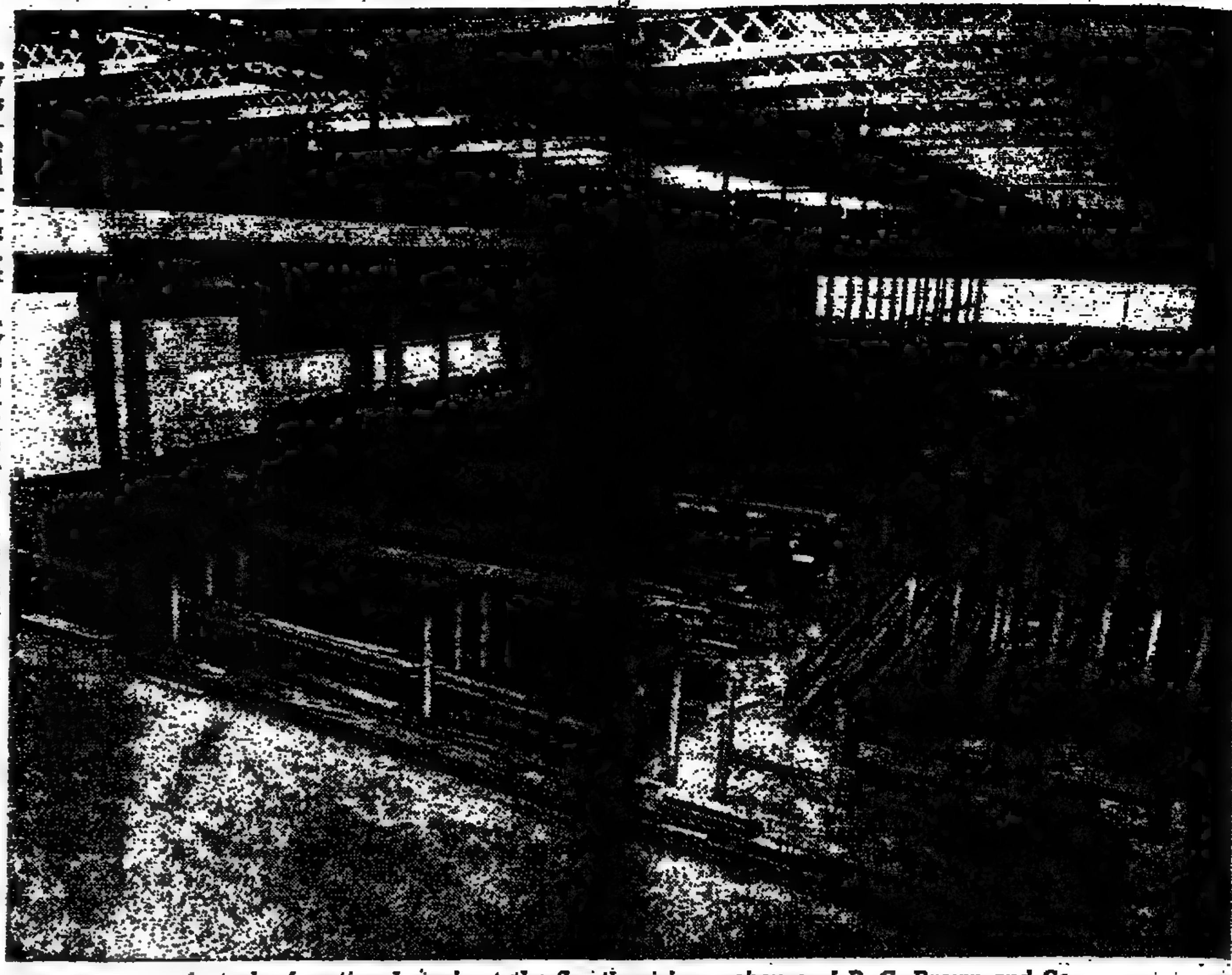
Under Mr. Charles Montreal, the chief metallurgist, highly qualified metallurgists are available to advise on the correct selection, heat treatment where necessary, and application of Uddeholm materials and products. Laboratory facilities are available, and ultrasonic testing is covered.

The managing director, Mr. Roy Veal, firmly believes in the value of training. Fully trained personnel are engaged as required, while members of his staff attend NASS courses.

Alloy and Metal Stockholders, offering national coverage in stainless steel from its bases in London, Birmingham, Sheffield and Stirling, adheres to a policy of in-house training. An advanced and lengthy training programme is undertaken by all newcomers. No trainee is permitted to take up an official position until he has attained a satisfactory degree of proficiency.

Alloy and Metal's training covers warehouse activities, internal and external selling, credit control, and mill visits covering bar and tube production. The managing director, Mr. Tom Bendham, relies almost exclusively on his own internal resources when senior vacancies are to be filled.

Promotion, even to board level, can come early at A and M. Mr. Paul Vultaggio, for example, was only 24 when he was appointed a director. Almost all of Mr. Bendham's co-directors are under 40, which could be said to indicate that in-house training can be successful.


A stock of sectional steels at the Smethwick warehouse of R. G. Brown and Co.

Nevertheless, an increasing number of stockholding companies are turning to the NASS courses. In eight years, the Development and Education Committee has held 17 working week-ends, the most recent attracting a record attendance of 90. The subject was "Basic Commercial Principles" and, for the first time in the long series, the speakers were drawn from the stockholding industry itself, as distinct from experts in accountancy, transport, marketing, and the many other subjects covered.

Time and again these week-ends have proved their value. Tuition by eminent lecturers, coupled with opportunities to work in syndicates, have combined to give delegates a splendid introduction to a vital subject. For the more experienced, the short courses are valuable refreshers.

Week-long residential courses for stockholding personnel at Warwick University, although more academic in character than the working week-ends, provide a full measure of practical tuition. Last November, a course for senior management, the first of its kind, was highly successful. Professor Brian Houlden, of the business studies department, and other tutorial staff were confronted by senior managers of some years' standing. The challenge was accepted. The result was a valuable addition to the NASS programme.

While in-house training and courses arranged by external organisations will continue to play their part, most stockholders must be expected to rely on NASS for their training requirements.

Philip Carder
Editor, Steel Times

POLITICS TO-DAY

BY DAVID WATT

Six months to settle Labour's future

SIX WEEKS ago, this space contained an article by me entitled "No fundamental shift to the Left." Its thesis, which I still believe to be true, was that in the short and medium term the "moderate" wing of the Parliamentary Labour Party had no reason to draw fearful conclusions from the results of the leadership election. Mr. Jenkins, Mr. Healey and Mr. Crosland might have been rejected with varying degrees of ignominy, and Mr Foot and Mr. Benn might have been exalted beyond expectation. But the real balance of power was reflected in the final victory of the right-winger, or Mr. Callaghan, over the left-winger, Mr. Foot. Indeed the result probably understated the real strength of the Centre and Right because of a certain amount of sentimental voting for Mr. Foot.

Nearly everything that has happened since then appears to bear out my prediction that, if anything, the party would tend to move rightwards under the new regime. Mr. Callaghan is a far more resolute opponent of the Left than Mr. Wilson, and events seem to prove that he can get away with it. In his first month in Downing Street he has retained the Treasurership of the Labour Party in defiance of left wing arguments; successfully rebuked Mr. Benn for failing to support Government policy in the National Executive Committee; asserted the need for "realistic profits" in industry; entertained the President of Brazil; and finally declared roundly that Government policy is made by the Cabinet and not by the NEC. Suiting the action to this last word, he has repudiated the NEC's call for large increases of public expenditure between now and 1980, and presumably authorised Mr. Harold Lever to declare that the Government had no intention of nationalising banking, insurance or the pharmaceutical industry.

This frightful display of un-comradely, not to say élitist, behaviour has aroused no more than a mutter of protest from the Left. The usual discordant voices have been hushed and even Mr. Benn has been as good as gold. It is possible to impute this unaccustomed state of affairs to special factors such as the honeymoon atmosphere which traditionally surrounds a new Prime Minister's opening months or, in the case of Mr. Benn, the judicious sweetener offered by Mr. Callaghan in the form of sole responsibility for the North Sea oil negotiations. But these are not the real answer. The truth is that for the moment the political climate has affected the balance within the Labour Party, and in this situation the times are unpropitious for left wing revolt.

The ingredients of this new atmosphere are not hard to analyse. The most important of them is obviously the chastening effect of inflation and recession upon the trade union leaders, which has not only caused them to accept the new voluntary incomes formula, but also (and this is what makes the difference for Labour policy) to soften their demands under the Social Contract. The other main factor has been the removal of the Common Market issue from the centre of British politics and the consequent end to the disastrous split within the Centre-Right camp. The election last November of an all Manifesto Group slate to the Parliamentary Party liaison committee would not have been possible without this reversion to traditional alliances. Nor, for that matter, would the election of two Centre-Right candidates—Mr. Sydney Irving and Mr. Jack Ashley—to vacant places on the committee two weeks ago.

This combination of circumstances has deprived the Left of its most powerful issues and also stripped it of a lot of allies outside its immediate ideological hard core. Now, in addition, we have a Labour Prime Minister who is by temperament and to some extent conviction deeply conservative, supported by a far from radical Cabinet, a docile administration, and a Centre-Right bloc in the PLP—the Manifesto Group — that is far the largest pressure grouping on the back benches.

In these conditions one can easily understand the dejection of the Left. What is harder to comprehend is the sense of misery—in some cases bordering on despair—that now afflicts many intelligent Labour Right-wingers. Yet is is important to face their arguments, for they go to the heart of a lot of questions concerning the long-term future of British politics.

The pessimistic case—naturally capable of many individual variations—dismisses the short-term gains of the Centre-Right on two grounds. They are largely an illusion, and in so far as they are real, they cannot last. It is all very well to talk about the defeat of the extreme Left, but this is to miss the point. The reality is that the present Government has already passed and will continue to pass a series of irrelevant and doctrinaire measures at the dictation of a blatant interest group —the trade unions—and a bunch of old-fashioned ideologues who are the activists in the constituency parties.

Mr. John Horam, MP, chairman, and Mr. Sydney Irving, MP, vice-chairman of the right-centre Manifesto Group.

The label "right wing" or "centre" means nothing at all when those with these labels around their necks troop dutifully through the lobbies in support of the universal closed-shop, the Dock Work Regulation Bill, the Community Land Bill, the Capital Transfer Tax, and a lot of other measures which only appear on the programme because they were in the last election manifesto.

Who concocted the last election manifesto and foisted it on the party? Left wingers in the Transport House research department and on the National Executive in alliance with left wing trade union leaders and the overwhelmingly left-wing voice of the constituency parties. And why do Labour MPs who know in their hearts that a lot of this programme is rubbish go along with it? Why, knowing that Roy Jenkins was the ablest candidate for the leadership, did many right wingers refuse to vote for him? Because they are frightened of left wingers on their General Management Committees. The party in Parliament is supposed to hold the real power in spite of the party constitution, but it turns out that the constitution is right—the party outside Parliament is the dog and the PLP is the tail.

The pessimistic threnody does not stop there. It goes on to bewail an equally gloomy future. Not only is this intolerable situation going to persist as far as the eye can see, but it is most likely to be intensified. In order to break out of it there would need to be the conjuncture of an extremely unlikely set of conditions—a further large shift to the right in the trade union movement, combined with the rehabilitation of a self-confident elite within the party leadership prepared, occasionally, to work out what is best in the national interest, and to hell with the party.

In fact the prospect is precisely the reverse. The chances are, so the argument goes, that Labour will lose the next election either because of Scotland, or because of an economic debacle. The result in either case would be another sharp lurch back to the Left and the adoption of a programme even more anti-libertarian and interest-group orientated than the current manifesto.

Conning this dismal scenario, one cannot possibly say that it is entirely false as regards the past or entirely implausible as regards the future. What can be said, however, is that it is not yet quite necessarily true of the present, and therefore may not be true of the future. The answer to the riddle is going to be provided in the next six months and the omens are not all bad.

One encouraging sign is that Mr. Callaghan has clearly grasped the problem about the next election manifesto. The running battle over its contents has been joined with increasing intensity since he became Prime Minister and while there will no doubt be the most strenuous efforts on the part of the Left to repeat the 1972-73 performance, it is not going to be so easy this time. The NEC's draft statement — "Labour's policy 1976" which is to be published next week has already been relieved of its most immediately objectionable contents—import controls, public spending, and the liquidation of overseas investment. The question is whether its other doctrinaire provisions can be made to stick.

The main hassle is going to be around industrial policy—particularly the powers of the National Enterprise Board and the shopping list for nationalisation. The chances are that the Left will succeed in getting these sections approved by the Conference in October because nobody is going to say on a conference platform that "the ownership of the means of production" is a load of old boots. The pessimist would no doubt interject at this point that this is exactly what he means. But the real battle is not going to be fought on the conference floor at all. What matters is whether the trade union leaders really feel strongly enough about nationalisation to insist that its wholesale adoption as an aim of government policy in the next Parliament should be the price of their co-operation with Mr. Callaghan and his colleagues.

The fact is that we do not yet know what is going to happen within the trade union movement this summer, or how radically egalitarian its members and leaders will be feeling at the end of it. We can know even less what their situation and mood are likely to be in a year or so when they can exert their influence not only on the final choice of what goes into the election manifesto, but also on the last-minute selection of Labour candidates in marginal constituencies.

Even the demise of an educated, nationally minded leadership in the Labour Party cannot be forecast with absolute certainty. It is true that the rejection of Roy Jenkins was to some extent a rejection based on the feeling that he could not be relied upon to put party first. In its present defensive mood the Labour Party, alas, feels self-protection to be the highest priority. On the other hand university graduates who are neither Marxist nor nostalgic for a bogus working-class culture are still being adopted by constituencies and will continue to be so. Economic success is really what is needed to restore the morale and the breadth of vision of British politicians of all parties, and it is on this more perhaps than on the narrow machinations of factions, that the future of Labour and British politics depends.

Letters to the Editor

The British are coming

From Mr. M. Monico

Sir,—We note with pleasure how the council of Fairfax County, Virginia, in whose jurisdiction Dulles Airport lies, has voted to hang out three lanterns at the county offices to warn residents that Concorde and "the British are coming."

The only difference being that this time the British are coming with the French whereas in 1776 the French were in their proper place—on the other side.

Martin Monico.
64, Netherwood Road, W.14.

Underwriting commission

From Mr. D. Ellis.

Sir,—Regrettably Sir Malby Crofton puts only one side of the story (May 18) concerning underwriting commission earned on rights issues and new issues generally. It is fairly clear that in the case of the recently announced ICI rights issue of new ordinary shares at 330p, compared with a pre-issue market value of 390p per share the new shares are sufficiently attractive to persuade shareholders to take up their entitlement.

The fact that such issues enable a few brokers and finance houses, together with their clients, to earn what might be described as easy money should not be viewed in isolation. There are a good many more of various kinds which come to the market and for various reasons are not attractive and yet still have to be underwritten in exactly the same way as the ICI rights issue. As often results these issues are not fully taken-up and the underwriters are called upon to fulfil their commitments. These share holdings can then be sold immediately at a loss or held pending happier times which may or may not come to pass.

Everyone wants to be associated with success and all it brings but it is my opinion that Sir Malby Crofton's small superannuation fund would not wish to be associated with a failure even if it did earn a small underwriting commission.

D. H. Ellis.
Farthings,
Cricketfield Lane,
Bishop's Stortford, Herts.

Solar energy exports

From The Director,
David Davies Memorial Institute of International Studies.

Sir,—I read with interest the article on solar energy, by David Fishlock (May 14). It seems to me, however, that his approach is too parochial. Incidentally, his figures are slightly misleading in the sense that they do not include the additional resources allocated for solar energy research in the United States, *et al.* In other words, the United States is devoting £35m. to research this year, rising to £110m. next year; Japan has a five-year programme of £18m. per year; France is spending £3m. this year, rising to £9m. next year; and West Germany plans to spend £3m. this year and £7m. next. The total expenditure in the United Kingdom lies between £250,000 and £500,000.

Even if solar energy should prove to be a non-viable resource in this country, surely it is obvious that, if it is possible to perfect a form of usage *not* in the shape of enormous centralised power stations but in much more localised forms, such as solar regulated refrigerators, forms of space heating and so on, the export potential would be simply enormous.

I cannot believe that Japan would be devoting so much money to solar energy research—even in view of the fact that she is almost wholly dependent on outside sources for her energy needs—unless she had a very good idea that there might be great export potential for the results.

M. M. Sibthorp.
Thorney House,
34, Smith Square, S.W.1.

A proven reality

From The Technical Director, Solar Dynamics.

Sir,—Your Scientific Correspondent, Mr. David Fishlock, was quite right, of course, to criticise any generalisations and naiveties which he found in a recent report on solar energy (May 14). And as a solar "buff" I am glad the point has been made. But let's not pan solar energy too hard. In the first place domestic solar heating is a proven reality and many companies are making a handsome living from it. The payback time of 16 years quoted in the article is quite absurd; the average payback period of commercial systems is well under seven years—ask any customer.

The power consumption of pumps and controls is negligible (typically 40w or less) and they are thermistor controlled to *operate only when there is substantial solar gain.* Nor can it be fair to say that the equipment has a high "energy cost" in the manufacture. The "energy cost," surely, is the price, and payback within seven years means a *net* saving in energy from that point onward.

The article's conclusion that there is a need for systems engineering of complete solar heating installations is highly relevant.

G. M. Atkin.
345, Upper Richmond Road West, Sheen, S.W.14.

It'll never work

From Dr. J. McVeigh.

Sir,—Solar energy is already more effective and economical than other methods of producing energy for certain applications. For example, in any system where a small temperature rise in a large volume of water is required, such as in fish farming or swimming pool heating, the pay back period is well under five years.

The comments of Observer (May 11) and David Fishlock (May 15) have ignored the fundamental issues and reflect an attitude of mind seen in the Report of a Special Technical Committee, published in April, 1877, which considered the telephone as an investment, extracts from which are quoted below:—

(i) The telephone is so named by its inventor, Mr. A. G. Bell, who sees for it a vast future as a means of personal communication by voice. He believes that one day they will be installed in every residence and place of business.

(ii) Mr. Bell's proposal to place his instruments in almost every home and business house (and this is the only way in which their potential may be realised) is fantastic in view of the capital costs of installing the endless numbers of wires and cables that would be demanded. The central exchanges alone would represent a huge outlay in real estate and buildings, to say nothing of the electrical equipment.

(iii) Mr. Bell expects that the public will use his instruments without the aid of trained operators. Any telegraph engineer will at once see the fallacy in this plan. The public simply cannot be trusted to handle technical communications equipment. In any home where there are children, to mention only one point, there would inevitably be a high rate of breakage and frivolous use of the instruments. . . .

(iv) Mr. Bell expects that the subscribers to this service will pay to have the instruments installed in their premises and will thereafter pay for each call made, with a monthly minimum even if no calls are made. We feel it very unlikely that any substantial number of people will agree to such an arrangement.

(v) In conclusion, this committee feels it must advise against any investment whatever in Mr. Bell's scheme. We do not doubt that it will find a few uses in special circumstances, such as between the bridge of a ship and the engine rooms, but any development of the kind and scale which Mr. Bell so fondly imagines is utterly out of the question.

Some of your readers may have already installed telephone systems in spite of the highly critical 1877 report—perhaps this will encourage others to take solar energy more seriously than Observer and David Fishlock?

Dr. J. C. McVeigh.
11, Montpelier Terrace,
Brighton, Sussex.

Disorganisation in the counties

From Councillor W. Shepherd.

Sir,—Now that the tumult and the shouting of the borough elections have died down for at least two years, might councillors give some thought to the further "dis-organisation" of local government hinted at by some socialist politicians. I refer, of course, to the position of the county councils.

It might have been purely fortuitous that arising out of the so-called "re-org" of 1974 has been the recognition that perhaps, after all, the district council is, on the whole, the best possible unit of local government, for it is just big enough and not too big to be properly controlled by democratically elected representatives. County councils, on the other hand, are far too big to be controlled properly. If this were not the case why is it that my own county—Kent—has increased its staffing figure by well over 7,000 in five years—and quite a few of its elected members did not know this fact: I have checked this by the simple process of asking a few of them.

Much "county" work is repetitive, and a good deal of it is quite unnecessary. It is suggested, for instance, that town planning staffs are there merely to check that district councils are doing their job properly, although there is no one available to see that the counties are doing *theirs* properly: I know of one quite important case which took six months to come to gestation, after having been disposed of by my district.

The plea will be made that the counties act as co-ordinators, but in fact many of the powers previously held by districts have been allocated to the counties, and then promptly handed back to the districts under agency agreements, because the larger areas are too unwieldy. Some measure of overall control is essential, says the "pro-counties" but this is really begging the question, because there is no reason why the districts, which have learned to live with one another, could not do the necessary co-ordinating by consensus and not by force from above.

"You'd still have to pay county staffs" say the "pro's," and to some extent this is true, but since the districts could handle their tasks much, much more economically, and with far fewer staff, their rate bills—which they would be able to control themselves—would be magnificently smaller, even allowing for the considerable number of staff transferred to district pay rolls.

Best of all we could have some say (in the districts) in the quality of services: I am sick and tired of interviewing school leavers who have been left totally and utterly unprepared to face the trials of modern life, and I am certain that with closer control on academic standards district councils could insist on a much higher quality of end product of the system.

W. Shepherd.
4, Asher Reeds,
Langton Green,
Tunbridge Wells, Kent.

Entirely sound and desirable

From Mr. J. Leigh Mellor.

Sir,—May I be permitted belatedly to reply to your correspondent Mr Gregory, who suggested (May 12) that tax relief in respect of mortgage interest should be abolished because tax under Schedule A on owner-occupiers no longer exists.

With respect, this idea is based on a fundamental mistake as to the nature of income tax and was shown to be fallacious as long ago as 1900, in the case of *L.C.C. v. Attorney-General.* Lord Macnaghten observed in the report of that decision "Income Tax, if I may be pardoned for saying so, is a tax on income. It is not meant to be a tax on anything else. It is one tax, not a collection of taxes essentially distinct. There is no difference in kind between the duties of income tax assessed under Schedule D and those assessed under Schedule A or any other schedules of charge."

The reason why interest was (and should be) deductible from the total income of the individual paying it is that it is not his income but that of the payee. In this it resembles "any annuity or other annual payment." The fact that in 1969 and 1974 a Socialist Government imposed restrictions on the deductibility of interest in computing income tax liability, for party political reasons, should not obscure the fundamental principle involved which, to my mind, was and is entirely sound and desirable.

J. Leigh Mellor.
3, New Square,
Lincoln's Inn, W.C.2.

The CBI as a politician

From The Chairman, Executive Search International.

Sir,—Having just completed a little survey, I should like to raise a fundamental question about the CBI. Who does it represent and what should it be doing?

I can only speak for a small, random sample of industry executives. Almost to a man, they are frustrated and depressed by our politicians, all of them, including the CBI.

Under the heading of politician they include not only members of the Government, etc., but also leaders and/or spokesmen of the CBI. This definition of a politician is someone in a position of authority in such bodies not democratically elected by a majority of eligible voters, that is, CBI members.

The businessmen to whom I refer accuse these "politicians" of being out of touch with their rank and file and of pressing views which are not representative of those of their members. Moreover they (the businessmen) question the integrity of the speeches and pronouncements of these politicians. They urge them to descend from their world of make-believe, wishful thinking and distortion of facts and to represent their rank and file.

J. M. Reid.
8A, Symons Street,
Sloane Square, S.W.3.

Opening hours

From Mr. D. Robb.

Sir,—I find it almost impossible to see the art galleries and museums in London that I would like to. I am at work when they are open, and I would not consider going to London on a week-end. For an evening's entertainment I would much rather see an art gallery or a museum than I would a film or a play. To "do" a room in the Victoria and Albert for example would make a delightful prelude to going out to dinner. I would gladly pay £1 or more for the privilege.

May I suggest that consideration is given to opening galleries and museums for an evening or so every week, or even every month, until say 9.30 p.m. on a charged entry basis, and that the charge should cover at least the overtime wages of the attendants.

D. B. Robb.
The Old Vicarage,
Burbage, Marlborough, Wilts.

The wrong road

From the Chief Information Officer, Freight Transport Assn.

Sir,—Douglas Jay's narrow use (May 14) of one sentence from the transport policy consultation paper to contend that improved roads are really being built solely to benefit the private motorist is too simplistic.

For industry time is money so saving it is worthwhile. If and when the new EEC drivers' hours rules become operative filling in the gaps in the trunk road system will cut down the need both to increase the goods vehicle fleet and employ additional drivers. Let us not forget either that it is improved road communications which has helped to attract industry to the development areas.

I doubt also whether the inhabitants of the countless villages and towns whose high streets still form part of a major trunk route would agree with Mr Jay's analysis. Already they have seen their long-awaited by-passes disappear further into the future. Their anger tends to be vented on the heavy lorry although by Mr. Jay's thesis they should be calling for bans on the private motorist. Perhaps, of course, this is what he wants.

J. M. Guttridge.
Hermes House,
St John's Road,
Tunbridge Wells, Kent.

To-day's Events

GENERAL

NATO Foreign Ministers end two-day meeting, Oslo.

Mr. Michael Foot, Lord President of the Council, speaks at public meeting of Brentford and Isleworth Labour Party, Isleworth.

Lord Shepherd, Lord Privy Seal, addresses Family Planning Association on recent Cabinet Office discussion paper, "Future World Trends," 23-25, Mortimer Street, W.1.

Sir Keith Joseph MP addresses meetings of Cathcart Conservative Association, Strathclyde University Conservative Association and Hillhead Conservative Association, Glasgow.

Italian Chamber of Commerce annual general meeting, Grosvenor House, W.1, followed by lunch at which guests of honour are Mr. Edward Heath, MP and Sr. Roberto Ducci, Italian Ambassador to U.K.

London Chamber of Commerce seminar on opportunities in Swiss market, 69, Cannon Street, E.C.4, with Mr. Michael Sieff, a director, Marks and Spencer, in the chair. Speakers include Mr. J. Reeve, Commercial Counsellor, British Embassy, Berne.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' Bills.

OFFICIAL STATISTICS

New vehicle registrations (April).

COMPANY RESULTS

Ever Ready Company (Holdings) (full year). UDS Group (full year). Ultramar (first quarter).

COMPANY MEETINGS

Alexanders Holdings, Glasgow, 12. Babcock and Wilcox, 21, Tothill Street, S.W., 12.30. Coltness Group, Glasgow, 12. Dinkie Heel, Bristol, 12. Grampian Holdings, Glasgow, 12. Horizon Midlands, Birmingham, 2.15. McBride (Robert), Manchester, 11.30. Sparrow (G. W.), Bath, 12. Toye and Co., Connaught Rooms, W.C., 12. Travis and Arnold, Northampton, 12. Ultramar, Winchester House, E.C., 12. Weir Group, Glasgow, 12.

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COMPANY NEWS + COMMENT

Woolworth unchanged in first quarter

DESPITE a 16.3 per cent. sales gain to £150.5m., profits of F. W. Woolworth were virtually unchanged at £5.05m. for the first quarter ended April 30, 1976.

At the trading level after depreciation the profit amounted to £5.35m. against £5.5m.—the margin on sales is shown to be down from 4.5 per cent. to 3.9 per cent.

At the meeting in April the chairman Mr. Stephen Owen said that he was looking for higher profits at the year end. For 1975-1976 the trading profit was £39.6m.—margin 6.9 per cent.—and the pre-tax balance £36.3m.

The directors point out that this year's results compare with a period last year when sales were buoyant prior to the introduction of the 25 per cent. rate of VAT on certain items. In view of this and the current depressed level of consumer spending they regard the sales and profit achieved for the first quarter to be "reasonably satisfactory."

During the period there was an exchange loss on foreign loans which, after adjustments in respect of net assets of overseas subsidiaries, was £1.01m.

	First quarter 1976-77 £000	1975-76 £000
Total turnover	150,472	125,904
Less VAT	8,500	6,817
Leaving	141,972	122,087
Profit before depreciation	6,659	6,706
Depreciation of fixed assets	1,310	1,203
Trading profit	5,349	5,502
Net interest paid	661	319
Profit on prop. sales	156	12
Profit before tax	5,054	4,996
Taxation	2,650	2,600
Net profit	2,404	2,396
Exchange loss	1,013	*130
Net balance	1,391	2,546

* Profit.

● comment

Woolworth's profits have held up rather better than was expected given that comparison was with a period including the pre-VAT increase spree of April 1975. And although there has been a small drop in volume, an above average turnover rise indicates a further improvement in market share. The sales drive has, however, been at the expense of a further erosion of gross margins, while the net return has been squeezed by the full impact of wage increases of a sixth in January. The trading background is likely to remain difficult until at least the autumn but the market seems to be hoping for a pre-tax profits rise over the year from £36½m. to £40m. So the shares could regain some of the ground lost in March following disappointment with the 1975-76 figures: at 63p, the yield is 9.4 per cent.

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Peerage of Birmingham

On turnover up from £2.78m. to £2.81m., which includes direct exports of £1.37m., against £1.54m., pre-tax profit of Peerage of Birmingham increased from £302,925 to £332,098 during 1975 after crediting £24,840 (nil) insurance claim for the previous year.

When reporting first-half profits down from £113,000 to £96,000 it was stated that results for the year might be less than in 1974 but the percentage reduction should not be greater than in the first half.

Stated earnings per 10p share for the year are up from 4.87p to 4.9p—final dividend is 0.7664p net for a total of 1.3164p (1.2336p), the maximum allowed.

Tax takes £171,796, compared with £148,838 and there is an extra-ordinary debit of £552, against £24,557 — £116,382 (£109,847) is retained.

The company makes furnishing and ornamental brassware.

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Pork Farms slips to £1.08m.

AFTER FALLING from £625,000 to £473,000 in the first half, pre-tax profits of meat product manufacturers Pork Farms finished the year to March 1, 1976, down from £1.24m. to £1.08m. Turnover was £21.73m. compared with £19.38m.

Earnings are shown to be down from 19.3p to 15p per 10p share. The final dividend is 4.297p net making a 7.601p (7.229p) total.

	1975-76 £	1974-75 £
Turnover	21,729,351	19,379,333
Trading profit	1,350,132	1,522,448
Interest charges	273,510	238,916
Profit before tax	1,076,622	1,283,539
Tax	560,127	578,842
Net profit	516,715	664,597
Attributable	516,209	653,639
Dividends	127,861	66,428

● comment

With pork prices levelling out after the substantial jump in the first half, margins at Pork Farms returned to more realistic levels and profits in the second six months were only slightly lower, leaving the overall pre-tax shortfall at 14 per cent. Pork prices have now been fairly static for the past six months or so, while Pork Farms is now seeing volume growth on the back of a greater market penetration. So with the company enjoying more healthy margins, recovery with some growth is a strong possibility this year, particularly as the build-up in the pig herds should restrict any further significant pork price increases. At 130p the shares yield 9.3 per cent.

Brockhouse £1.1m. so far

SALES FOR the six months to March 31, 1976, of Brockhouse slipped from £29.52m. to £27.34m. and pre-tax profits fell slightly from £1.3m. to £1.1m.

However, after lower tax of £572,000 against £795,000 and no payments to minorities (£4,000) the attributable balance is up from £503,000 to £528,000.

The chairman, Mr. A. C. Darby, states that the current half-year has opened encouragingly. In exports there has been a further improvement in orders and sales. Cash flow is satisfactory and the programme for capital expenditure is being accelerated in some divisions.

The interim dividend is lifted from 1.25p to 1.4p net per 25p share. Last year's total was equal to 2.949375p paid from pre-tax profits of £2.7m.

	Six months 1975-76 £000	1974-75 £000	Year 1974-75 £000
Sales	27,335	29,518	56,963
Trading profit	1,363	1,894	3,980
Interest	463	692	1,198
Profit before tax	1,100	1,302	2,782
U.K. tax	533	633	1,316
Overseas tax	39	162	229
Net profit	528	507	1,164
Minorities	—	4	—
Extra-ord. debits	—	—	514
Available	528	503	650

Mr. Darby reminds members that the cost of extricating the group from its constructional businesses in France is likely to entail an additional loss of £500,000 during the year. Half has been charged to the six months under review. Although it is resolute policy to phase out building operations on the Continent, this is necessarily a long, complicated and costly business, he explains.

The greater part of the reduction in the value of sales was due to the discontinuance of activities for which no useful future was foreseen.

First half jump by Muirhead

IN THE six months to March 31, 1976, pre-tax profits of Muirhead jumped from £431,000 to £800,000 and the directors say that current trading is showing "maintained progress."

After a higher tax charge of £390,000 against £296,000, net profits came out at £210,000 compared with £135,000.

The interim dividend is lifted from 0.55p to 0.6p net per 25p share costing £35,836 (£32,438). Last year's total was 3.0163p paid from pre-tax profits of £1.1m.

	Six months 1975-76 £000	1974-75 £000
Group sales	7,352	5,948
U.K. trading profit	798	622
Overseas trading loss	78	57
Interest charges	69	67
Debenture interest*	41	36
Associates' loss	—	13
Profit before tax	800	431
Tax	390	296
Net profit	210	135

* Charges now include those paid by subsidiary. Integrated Photomatrix.

The directors say that order books continue at a high level. Orders for newspaper page facsimile from many countries are "exceptionally encouraging."

The next generation of such equipment continues in development in the U.S. subsidiary, Image Information Inc., at a high research and development cost. In the first six months of the year in excess of £100,000 was spent and written off as incurred. The first system is being installed and the market potential for this product "is considered to be substantial."

On the high estimated tax charge the Board points out that a full provision has been made against U.K. profit but overseas losses cannot be offset against U.K. tax liability.

● comment

With a 15 per cent. rise in volume sales incorporated in its 26 per cent. increase in turnover in the first half, Muirhead is clearly on a growth path, backed by several systems innovations which were now "catching on" in the world market. Orders in hand for the next generation of newspaper facsimile equipment alone are put at some £3m., implying a two to three year span for recouping its development costs, while a new range of document copiers are expected to make a sizeable contribution to volume growth from 1977 on. Since R and D costs now amount to some 10 per cent. of turnover, this kind of growth rate is especially important. The rate of progress in the first half, which produced a 39 per cent. pre-tax profits rise, is continuing in the second with an extra boost in prospect from the Mountainside U.S. factory (damaged by fire last year) coming back into full swing. The shares at 124p giving a market capitalisation of over £7m. have risen by over two-fifths since early December compared with a net asset value last September of 93.5p a share.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Beecham		2.93	Aug. 6	2.66	5.54	5.11
Boots		1.55	July 13	1.43*	2.44	2.24*
Brockhouse	int.	1.4	July 30	1.25	—	2.95
Coats Patons		1.71	July 1	Nil	2.65	0.9
James Crean	int.	3.75(b)	July 15	3.73	—	10
M. J. Gleeson	int.	0.62	June 30	0.56	—	1.3
Grampian TV		1.23	—	Nil	1.63	Nil
Hambros Inv.		2.85	July 30	2.55	4.25	4.25
Industrial & General		0.82	June 18	0.72	1.24	1.14
Inter-City Inv.		0.4(d)	—	0.4	0.8	0.4
Kinta Kellas Tin	2nd int.	37.5(c)	June 18	—	—	50
Leisure Caravan Parks		3.15	Aug. 26	3.14	4.82	4.42
Milford Docks		1.63	—	Nil	1.63	Nil
Muirhead	int.	0.6	July 13	0.55	—	3.02
Odex Racasan		2.79	July 9	2.38	3.89	3.38
Peerage of Birmingham		0.77	July 5	0.73	1.32	1.23
Pork Farms		4.3	—	3.82	7.6	7.23
Robertson Foods		3.54	July 17	3.22	4.66	4.27
Selincourt		0.44	July 1	0.38	0.79	0.73
Standard Fireworks		4.1	Aug. 9	3.73	4.1	3.73
F. Sumner		0.35	—	0.2*	0.7	0.66*
Tanjong Tin	3rd int.	0.84	Aug. 31	—	4.84	4.33
Trafalgar House	int.	2.31	July 16	1.36	—(a)	3.46
Turnbull Scott		5.12	June 14	4.41	9.12	8.41
Utd. Scientific	int.	1	Oct. 1	0.85	—	2.61
Whitbread Investment		4.15	July 13	3.30	6.5	5.59
Yorks & Lancs Inv.	int.	0.35	July 7	0.35	—	1.05

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) 4.82p net forecast. (b) Gross throughout. (c) Subject to Malaysian tax. (d) Treasury consent sought.

Grampian TV back in profit

A TURNROUND from a loss of £28,369 to a profit of £138,765 is announced by Grampian Television for the year ended February 29, 1976, subject to a tax charge of £80,022, compared with credit of £8,514. Turnover was £2.46m.—a record—against £2.01m.

With profit in the first half up from £8,249 to £15,316 the directors said they expected second half results to be "considerably in excess" of the first six months.

Earnings are shown to be 2p per 10p share (nil) for the year and the final dividend is 1.273p net, making a total of 1.625p, compared with nil and 1.8736p in 1973-74.

Mr. I. M. Tennant, chairman, says that during the past year there was a welcome upturn in national advertising throughout the TV industry. TV Times also did well and copyright fees from this source show an increase of some £20,000.

Tarmac in French link

SUBJECT TO French and British Government consents, the Tarmac Group and the French company Geriand S.A. of Lyon are to be partners in the formation of a new French Company to be called Geriand Waterproofing (Geriand Etancheite).

Tarmac has a leading share of the U.K. Waterproofing market through the manufacturing activities of Permanite and William Briggs and Sons and the contracting activities of Briggs Amasco, all wholly-owned Tarmac subsidiaries.

Continental Union's investments

Continental Union Trust Company has continued to maintain more than half of its total portfolio investments abroad and a large number of its U.K. investments are in companies with substantial assets overseas, states Mr. D. H. LeRoy-Lewis, chairman.

As reported May 6, revenue before tax for the year to March 31, 1976, improved from £0.68m. to £0.84m. and the dividend is up from 1.91p to 2.3p net.

For the current year the directors intend to declare a 0.8p interim (0.56p) to reduce disparity.

The accounts give a table showing the effect of inflation on dividends and net asset values over the past 10 years, reflecting in part the recommendations of the Sandilands Committee on Inflation Accounting.

Net asset value at March 31, 1974 is shown to be 131p and when adjusted for inflation was practically the same as at March 31, 1974—132p—and only marginally below the value of 138p at March 31, 1967. During the same periods the 1975-76 gross dividend of 3.5385p when adjusted compares with 3.3613p in 1974 and 4.1122p in 1967.

Royal Trust Jersey funds

The Royal Trust Company of Canada (Channel Islands) has launched two Jersey-based unauthorised unit trusts. The funds will be aimed at obtaining capital growth together with a reasonable income return through an international portfolio with the emphasis on North American investment.

The Royal Trust International Fund is a dollar denominated fund for non-residents of the sterling area. The offer price for units is $10 with a minimum investment of 100 units, the fund will have an estimated gross yield of 4.8 per cent.

The Royal Trust International (Jersey) Fund is a sterling denominated fund for investors subject to U.K. exchange control. The offer price for units is £1 and the minimum investment is 500 units, the fund will have an estimated gross yield of 5 per cent. It is envisaged that initially this fund will invest 50 per cent. of its assets through the dollar premium pool and 50 per cent. via a back to back loan.

ISSUE NEWS

Tootal raises £10.7m by 1-for-4 at 32p

Tootal, the textile group, is proposing to raise £10.67m. by way of a rights issue on the basis of one-for-four Ordinary shares at 32p each, to shareholders as at May 14. The shares closed in the market at 39p down 3p.

During the past three years the group has carried out a major capital expenditure programme costing some £38m. During 1975-76 this capital expenditure of £14m. was largely met without resorting to further borrowings, but over the full three years short-term bank borrowings have increased by £16m. and other borrowings by £5½m.

The proceeds of the issue will initially be applied in reducing short-term borrowings. In the report net short-term debt at January 31, 1976, is shown at £5.9m. and loan capital at £19.9m. Capital commitments at the year end were £6.68m. (£13.48m.) of which £3.62m. (£4.28m.) has not been contracted for.

Profits in the year to January 31 were down from £13.17m. to £9.15m. pre-tax but profits for the first quarter of the current year continue to show a marked improvement over the corresponding period. However, it is too early to make a forecast, though the directors expect to be able to recommend a not less than maintained dividend of 2.217p per share in the year to next January.

The annual meeting is called for June 23, immediately following which will be an extraordinary meeting to consider an increase in the authorised capital from £50m. to £60m.

In the notes to the report and accounts it is stated that £20,000 was payable on termination of executive offices.

The issue is underwritten by Morgan Grenfell, brokers are Laing and Cruickshank and Simon and Coates.

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Dunbee-Combex

The terms of the Dunbee-Combex-Marx £2.5m. rights issue, projected in a statement last April, were announced yesterday together with full details of the group's acquisition from Quaker Oats of Chicago of toy interests in the Louis Marx Group at a cost of an equivalent £8.2m.

The rights issue is to give further support for the increased borrowings by broadening the equity base—following the U.S.$5m. Euro-loan—and is offered on the basis of one-for-five at 140p per 10p Ordinary share. In the market the shares closed at 191p—up 1p. Dealings are to start on June 8 and the offer will be open for acceptance until June 29.

As a result of the Louis Marx acquisition and the rights issue, DCM's net assets will be increased to £17.405m. against £12.089m. at December 31, 1975, while on April 30 this year total borrowings were £19.859m. Group turnover in 1975 was 24 per cent. up at £38.7m. and profits were nearly 35 per cent. higher at £3.5m.

The rights issue is underwritten by Charterhouse Japhet.

GENERAL PRACTICE

The Treasury has approved proposals by the General Practice Finance Corporation for a thirteenth issue of stock. The Secretaries of State for Social Services and for Scotland have consented to the Corporation's proposals.

Accordingly the Corporation have made an issue of a further tranche of £½m. of their General Practice Finance Guaranteed 14¼ per cent. Stock, 1991, to the National Debt Commissioners at 104¼ per £100 of stock to yield 13.79 per cent. to redemption. The issue is covered by a Treasury Guarantee.

Dares—a requote

Dares Estates, the building and property concern in which Mr. William Stern's interests once had a 65 per cent. stake, will be granted a requotation for its shares next Monday.

The share quotation for Dares was suspended in May, 1974, at 12p—8p below par value—in the wake of the disclosure by Stern Holdings—Mr. Stern's private property company—that it had liquidity problems.

In February this year it was announced that a 65 per cent. stake in Dares had been purchased by Mr. P. D. Jackson, Mr. D. S..., their family trusts, Mr. J. ... Morley and Mr. R. Herbert-Smith. Mr. Morley and Mr. Herbert-Smith are directors of the company.

The new holders of the 4.3m. shares paid 3p per Ordinary share and under Takeover Code rules will be required to make an offer on similar terms to the remaining shareholders. The offer is expected to be released by to-morrow.

The latest figures for Dares shows that in the first half of 1975 the company incurred a loss before tax of £94,932 (£124,861) and turnover was down slightly to £741,749 (£789,449). For 1974 there was a deficit of £419,... There was again no dividend, the last payment being equal to 1.1p net for 1972.

BIRMINGHAM STOCK

The City of Birmingham's offer of £25m. of 13 per cent. Redeemable Stock 1983 at £99 per cent. closed to-day. The offer was over subscribed, and allotment letters will be posted to-day. The basis of allotment is, as follows: up to £2,000, allotted in full; between £2,500 and £3,500, receives £2,000, and thereafter applicants will get approximately 55½ per cent. of the amount applied for.

RIGHTS RESULTS

Brent Chemicals' rights to raise £400,000 on the basis of one for two has been taken up as to 97.7 per cent. Of the total, 0.8 per cent. were not offered by way of rights but were sold in the market for the benefit of non-resident shareholders not able to take them up; while the balance offered by way of the rights but not taken up were sold in the market and the net proceeds will be distributed to those entitled.

C. T. Bowring's rights to raise £11.3m. by the issue of more than 3.95m. shares at 65p each and £7.9m. nominal of 10 per cent. convertible loan stock 1987 at £1.15 each were taken up as to 89.9 per cent. and 86.7 per cent. respectively. The nominal price of the shares is 25p and of the convertibles £1. The balance was sold in the market to produce a net premium of 14.40p for the shares and 6.43p for the convertibles and the proceeds will be distributed to entitled shareholders except that no payment will be made for less than £1 in respect of either issue.

B. Elliott's rights issue to raise £1m. on the basis of one-for-... at 50p has been taken up as to 89 per cent. The balance has been sold at 66p each in the market and the net proceeds will be distributed to those entitled.

Trafalgar House £14m. so far—bright outlook

better result than could be ...cipated a few months ago is ...ounced by Trafalgar House ...stments for the half year to ...ch 31, 1976, with pre-tax ...nue showing an advance from ...m. to £14.01m.; and chairman ...N. Broakes says prospects "distinctly brighter" than have for several years.

...is reasonably confident that year-end outcome will show distinct advance" over the ...ious period's £22.19m. though ...ould no longer be assumed first-half earnings are as little ...wo-fifths of the whole year's ...its—the increasing emphasis ...verseas work has affected the ...nce.

...almost tevery division and ...rtment of the business there a more cheerful outlook."

...ated earnings per 20p share up from 5.2p to an equivalent ... and, fully diluted, ahead ...r 5.1p to 6p—as forecast at time of the £25.5m. Rights ..., the interim dividend is ...d from 1.3634p to 2.31p net the total will amount to ...compared with 3.4634p as ...ed with the Treasury.

...Broakes states that the mar... recovery rules out any need further provisions against the ...of land and property ...ings.

...points out that the recent ...ness of Sterling, though it to the Sterling equivalent of ...al repayments of foreign ...adds considerably more to Sterling equivalent of foreign ...nues and to the effective ...e of international assets; ...larly "cash flow projections the next five years are com...surately increased to the ...t where we now anticipate ...ipts (net of debt redemption amounting to as much as ...m. by 1981."

...orldwide sales are now in ...s of £400m. p.a. of which ...than 40 per cent. is in ...encies other than Sterling. ...in the U.K. all divisions are ...riencing improving trends. property market is improv... current lettings in the City ahead of recent expectations; U.K. housebuilding looks a ...less depressed than it did winter.

...rgo shipping still suffers ...weakness in freight rates bulk carriers and products ...lers, but both the container ...ortia and conventional cargo ...rests are responding to the ...very in world trade that is ...ady evident, he says. Leisure ...rests still represent a drain on ...its, but already the QE2 ...vs substantial profit potential the summer season on the ...h Atlantic, Mr. Broakes adds.

	Half year 1975-76 £000	1974-75 £000
...erty	2,336	1,872
...tment activities	4,470	2,618
...struction, etc.	8,371	4,076
...ping and leisure	2,368	4,928
...ision to housing and ...perty	—	500
...est funded debt	1,935	2,394
...nue before tax	14,008	9,808
...and equal. acc.	4,963	3,453
...rity interests	75	200
...er items	260	279

...ncludes profit on land sales £248,000 ...pared with £14,000. ‡ Includes profit ...sale of ships £1,395,000 compared with ...,000. † Consists of extraordinary ...it £210,000 (£347,000 debit), Transfer ...m reserves re development properties ...,000 (£108,000), Preference dividend ...000 (£40,000).

See Lex

...WAN HUNTER ...ELAY

...he Board of Swan Hunter ...up has decided to defer the ...liminary announcement of the ...es in respect of 1975, until end of July. By that date the ...re of the Government's ...nalisation plans should be ...mined and the accounts of associate, Swan Maritime, clarified. The directors therefore anticipate that payment of a final dividend will be made in September.

Associated Fisheries recovering

FOR THE half year to March 31, 1976 Associated Fisheries announces a reduced pre-tax loss of £0.84m. compared with £1.62m. for the corresponding period.

Loss per 25p share is stated at 2.12p against 3.83p. Last year a single dividend payment of 0.1625p net was made, when a loss of £2.03m. was reported.

The directors state that the group has continued a vigorous policy of cash conservation and is currently operating well within its resources.

Because of trawling, any forecast for the year's result is impossible, although some encouragement may be derived from trend of results now reported.

	Half-year £000 1975-76	£000 1974-75
Turnover	38,859	36,082
Associated loss	307	730
Pre-tax loss	837	1,617
Tax credit	427	833
Leaving loss	410	784
Minorities loss	82	131

• comment

Associated Fisheries has nearly halved its losses against the comparable period as a result of a £½m. turnround to profits of £100,000 by food processing and better results from trawling. Older, less efficient, ships have been scrapped—over the past 18 months the fleet has been reduced by a third to below 100—and fish landing prices have been firmer. But fuel costs have continued to rise and the Icelandic troubles have meant that catches have been down and the division is still making a loss. The rest of the year is seasonally better for trawling but it will take sustained higher prices and a stabilising of the political situation before the group can return to profits. Meanwhile borrowings are evidently lower than the £6.8m. of last September which compared with shareholders' funds of £15.6m., and at 26p the market capitalisation is £4.6m. against a peak profit of £5.89m.

Inter-City ahead 87% at £0.31m.

Despite difficult trading conditions encountered in the last two months of the year, taxable profit of Inter-City Investment Group for 1975 jumped 87 per cent. to £310,324.

Earnings per 20p share are up from 1.12p to 2p and the dividend total is doubled to 0.8p net with a final of 0.4p. The Treasury has given authority for the company to announce a dividend at this level, and formal consent to the final dividend is now being sought.

Profits were ahead from £150,000 to £177,000 at midway and then chairman Mr. J. Harris said that the profit recovery had been maintained and he expected the trend to continue.

He now says that the wholesale distribution division made the major contribution to profit for the year. The level of sales is being maintained but the large and rapid fall in the value of sterling severely reduced profit margins for the first quarter of the current year. Selling prices have now been adjusted to reflect the higher cost of imports and given sterling stabilises close to the present levels he anticipates the profit of this division for 1976 will at least equal that of 1975.

	1975 £	1974 £
Turnover	7,869,324	5,806,734
Profit before tax	310,324	165,726
Tax	139,940	70,253
Net profit	170,384	95,473
Dividends	68,000	34,000
Retained	102,384	61,473

The textile division incurred a small loss in 1975, due primarily to an unusually high provision for bad debts in the U.K. The division is now operating profitably and exports currently account for some 60 per cent. of sales.

Steps are in hand to expand further the range of merchandise in both the textile division and the wholesale distribution division and Mr. Harris looks forward to group profits for 1976 in excess of those now reported.

Industrial & General revenue up

REVENUE, before tax, of Industrial and General Trust increased from £4.08m. to £4.45m. in the year ended March 31, 1976, following the first half reduction from £2.48m. to £2.38m. Gross income for the year was ahead from £6.59m. to £7.17m.

Earnings per 25p share are stated to be up from 1.31p to 1.37p. The net dividend is raised from 1.14p to 1.24p, with a final of 0.82p.

	1975-76 £	1974-75 £
Gross income	7,167,505	6,591,168
Revenue before tax	4,452,846	4,078,829
Corporation tax*	273,270	278,402
Imputed tax	1,372,656	1,124,438
Net revenue	2,806,920	2,675,989

* Includes foreign withholding tax of £215,579 (£167,204).

Net asset value per share was 57p (45p).

£10¼m. fall by Coats Patons

AGAINST the midterm forecast of profits of at least £32m., Coats Patons has turned in a pre-tax figure of £36.99m. for 1975—this compares with £47.26m. for the previous year and with a record £53m. for 1973.

With the exception of the U.K., where the conditions met in 1975 continue, things look considerably brighter, and "we are currently budgeting for a significant overall improvement in profits in 1976," the directors state.

Sales at £487.09m. were 8.7 per cent. up in value and 6 per cent. down in volume on 1974. Trading profit, including an exchange gain of £1.58m., fell by 17 per cent., comprising a drop of 49 per cent. in the U.K. and 5 per cent. abroad.

The recession was virtually world-wide, and inflation was encountered at varying rates in every country, while the U.K. situation was exacerbated by a flood of cheap imported goods. It was impossible fully to pass on cost increases in selling prices and margins fell from 12.1 per cent. to 9.2 per cent., the directors state.

The charge for interest was substantially lower as a result of improved liquidity and a reduction in the average interest rate from 11 per cent. to 9.6 per cent. The loss suffered by associates—£51,000 against a profit of £1.59m.—was almost entirely due to appalling trading conditions in India, they explain.

Earnings per 25p share are stated to be down from 8.9p to 6.9p.

The final dividend is 1.7071p net making a total of 2.6515p. For 1974 an interim of 0.9p was followed by a scrip issue of 4 per cent. in lieu of a cash final. The decision to omit the final aroused wide controversy at the time.

A final of 1.7673p had been forecast, but in view of regulations now in force, and after discussions with the company, the Treasury felt obliged to limit its authorisation of a maximum final to that now recommended.

The extraordinary gain of £522,000 mainly represents the profit on the sale of shops, less redundancy payments and liquidation costs in respect of Coats Patons (Retail).

	1975 £000	1974 £000
Sales	487,096	449,710
Trading profit	55,065	64,365
Depreciation	10,153	10,085
Interest	5,460	9,340
Goodwill w/o	69	174
Associates' losses	51	*1,590
Investment income	536	348
Surplus on invests. sold	45	32
Surplus fixed assets realised	83	700
Profit before tax	36,996	47,257
Taxation‡	15,734	20,095
Investment grants	402	333
Net profit	21,664	27,558
Minorities	2,462	2,930
Attributable	19,202	24,628
Extra-ord. gains	522	†1,111
Preference dividends	48	48
Ordinary dividends	7,336	2,394
Retained	12,340	21,067

* Profits. † Losses. ‡ Provision for U.K. tax at 52 per cent. is £1,478,000 (£5,371,000) after D.T.R. of £7,760,000 (£7,097,000) and is after crediting from deferred tax £1,751,000 (debiting £3,769,000). Overprovision prior years amounts to £150,000 (£230,000) and overspill relief £502,000 (£300,000). Foreign taxation is £15,199,000 (£14,511,000). Associates' tax is a credit of £480,000 (debit £743,000).

Cost of sales adjustment excluding depreciation, on the Sandilands formula, would reduce trading profits by £14.7m.

Cash flow for the year was £40.4m. and in addition £39.4m. was recovered from working capital on account of lower volume of business. Inflation in working capital required £20.6m., and £12.4m. of capital expenditure was incurred.

There was a cash surplus of some £39.5m. which is earmarked for reinvestment in working capital as world trade continues to pick up.

See Lex

BRANDTS

Brandts will change its name to Grindlays Brandts with effect from June 1, 1976. The intention is to signify the closer identification with the Grindlays Bank Group to all connections in the U.K. and overseas.

Second-half boost takes Beecham up to £91m.

SECOND HALF profits of Beecham Group have expanded sharply from £34.1m. to £56.6m., pushing up the total from £61.9m. to a record £91.2m. for the year ended March 31, 1975.

Sales jumped by £130.2m. to £566.6m. After tax and minorities the attributable balance emerges at £50.1m. compared with £32.8m., and earnings per 25p share are stated to be up from 22.84p to 34.88p.

The dividend is raised by the maximum permitted—from 5.11p to 5.54p net, with a final of 2.93p. Ordinary shares issued in respect of the conversion of the Guaranteed Convertible Debentures of Beecham International Holdings between June 1, 1976 and July 27 will be eligible for the final dividend.

	1975-76 £m.	1974-75 £m.
Group sales	566.6	436.4
Trading profit	95.7	65.5
Loan interest	7.5	6.6
Profit before tax	91.2	61.9
Taxation*	40.2	28.7
Net profit	51.0	33.2
Minorities	0.9	0.4
Attributable	50.1	32.8
Ordinary dividends	8.0	7.3
Retained	42.1	25.5

* Includes overseas tax of £21.7m. (£16.9m.).

Trading results of overseas subsidiaries for 1975-76 have been expressed in sterling at rates of exchange ruling at March 31, 1976, whereas results for 1974-75 were expressed at rates ruling at March 31, 1975. The effect of expressing in sterling the results of overseas subsidiaries for 1975-76 at the rates of exchange ruling at March 31, 1976 instead of those ruling a year earlier, has been to increase the group trading profit by some £5m.

In 1975-76 there was a net exchange debit of £0.4m. (debit £0.7m.). This adjustment arises from changes in exchange rates during the year, in so far as they relate to net tangible assets of overseas subsidiaries and to non-sterling long-term liabilities and bridging loans. In accordance with the group accounting policy this adjustment has been taken direct to reserves.

See Lex

Upsurge at Utd. Scientific

AFTER THE first six months ended March 31, 1976, profits of United Scientific Holdings at £843,355 have almost equalled the £871,402 reported for the whole of 1974-75. Achieved from a turnover up from £2.85m. to £4.82m. the profit represents an increase of 153 per cent. compared with the same period of the previous year.

In his annual report in February chairman Mr. J. D. Robertshaw was forecasting profits in excess of £1m. for 1975-76. Now, with production and sales for the second six months continuing at a high level, he says it is clear that the year's results will be good.

The chairman explains that the first-half increase is mainly due to the large export content of more than £2m. in the period, which is double that for the 1974-1975 first-half. Additionally, profitability has been helped because group companies in the U.K. have become net lenders, and funds currently on deposit with bankers exceed £½m.

A further important factor is the inclusion of the first significant figures from Avimo Singapore. This company exceeded all targets, and has also repaid the locally raised bank loan three years early. The performance in Singapore coupled with the strength of the Singapore dollar have combined to establish a major profit centre.

The U.K. companies have also performed well and reflect both continued heavy investment in new machine tools and the training of new staff. Orders, particularly for advanced laser systems, are being received on a regular basis and the total orders in hand now exceed £11m., reports Mr. Robertshaw.

The interim dividend is raised from 0.85p to 1p on capital increased by Incentive Scheme issues and conversions. The total for 1974-75 was 2.611p.

	First half 1975-76 £	1974-75 £
Group turnover	4,818,688	2,854,563
Profit before tax	843,355	333,425
Corporation tax	380,000	173,000
Net profit	463,355	160,425
Minorities	28,000	—
Attributable	435,355	160,425
Interim dividend	51,319	39,841

Advance at London Trust

GROSS REVENUE for the year to March 31, 1976, of London Trust advanced from £2.65m. to £3.31m., and pre-tax revenue from £1.73m. to £2.16m.

The final dividend is 3.5p net per 25p Deferred share, effectively raising the total from 4.83p to 5.5p.

	1975-76 £	1974-75 £
Gross revenue	3,311,465	2,651,009
Revenue before tax	2,155,492	1,729,612
Taxation	788,005	565,110
Preferred dividend	39,356	35,[illegible]
Deferred dividend	1,128,640	991,[illegible]
To revenue reserve	199,491	117,[illegible]

The net asset value is given at 197p (145p) or 195p (148p) fully diluted. Investments are valued at £60.38m. (£42.69m.) after providing for the investment currency premium on foreign loans.

Standard Fireworks

Standard Fireworks reports profits up from £191,464 to £203,320 for the year ending March 31, 1976 subject to tax of £107,162 compared with £93,731.

The dividend is raised from 3.729375p to 4.1p net per 25p share.

Boots lifts profits 9.9% to £72.17m.

TURNOVER, excluding VAT, of **Boots** expanded by 21.6 per cent. to £611.24m. in the year to March 31, 1976, and, after providing £6.53m. representing the actuarial deficit declared at March 31, 1974, in the Boots Pension Fund, pre-tax profits rose by 9.9 per cent. to £72.17m.

At halfway, reporting an increase in profits from £26.42m. to £30.72m. after providing £4m. for the pension fund, the directors said that second half profit growth would be at a lower rate.

After tax and minorities the full year attributable balance is £4.3m. higher at £35.7m. The final dividend is 1.5528p net per 25p share effectively raising the total from 2.24135p to the maximum permitted 2.4387p.

	1975-76 £000	1974-75 £000
Sales	647.509	531.492
Less VAT	36.270	28.672
Leaving	611.239	502.811
Profit before tax	72.167	65.673
Tax	35.391	33.986
Net profit	36.776	31.687
Minorities	376	273
Attributable	35.700	31.400
Interim dividends	3.133	2.984
Proposed final	5.531	5.050
Balance	27.014	23.427

Of the total sales increase of 21.8 per cent. about 3 per cent. was attributable to higher volume. U.K. retail sales showed an advance of 21.5 per cent. and worldwide non-retail sales an upturn of 24.6 per cent. including direct exports up by 28.4 per cent.

The directors expect the difficult conditions to continue but are hopeful that there might be "some modest improvement" by the end of the year.

See Lex

Milford Docks pays 1.625p

Profit of Milford Docks Company for 1975 fell from £66,767 to £27,401 after interest of £22,447 against £20,022). There is a tax credit of £11,798 (£25,501) and exceptional items £17,661 (£91,420). The dividend per £1 share is 1.625p—no payment since 1953—costing £12,675. Accumulated profits totalled £233,561 (£180,378), after cancellation of bank indebtedness £1,646 (£34,692).

BOARD MEETINGS

The following companies have notified dates of Board Meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—R. and G. Cuthbert, A. Goldberg, Greencoat Properties, Lyndale Engineering, Management Agency and Music, North British Steel, Spooner Industries, Westpool Investment Trust.

Finals—John Beales, Central Province Ceylon Tea, English and International Trust, Every Ready, Ferguson Industrial, UDS Group, George Wills.

FUTURE DATES

Interims—

Arenson (A.)	May 28
Caravans International	*May 27
Chown Securities	May 26
Kelsey Industries	May 27
Keystone Investment	Jun. 2

Finals—

Bradwall (FMS) Rubber Estate	May 25
Duncan (Walter) and Goodricke	May 28
Rayner Bondor	May 25
Press (William)	May 27
Wheatsheaf Distribution and Trading	May 27

* Amended

Cautious optimism at Croda

The chairman of Croda International, Mr. F. A. S. Wood looks forward with "cautious optimism" he tells members in his annual statement.

He is confident of the technical breadth of the product range, the capacity and geological spread of production facilities and the extent, growth, and vigour of international markets in the long term.

The directors are uncertain however about the level of international economic activity in the immediate future, the strength of the pound, the growth of anti-business sentiment and the enlargement of restrictive legislation.

As reported on April 14, group external sales expanded from £128.21m. to £136.42m. in 1975 but pre-tax profits fell from £12.1m. to £9.20m. The dividend is 1.76095p (1.63836p) net.

Mr. Wood points out that the capital expenditure programme totalled £7m. in 1975 and was not materially affected by the recession.

The Midland Yorkshire Group met adverse trading in some product areas and in particular the market in paracresol was extremely difficult. Profits were some £1.1m. for the nine months to December 28, 1975, compared with the forecast of £3.2m. for the year to March 31 made in fighting the Croda bid early in 1975.

Meeting, Connaught Rooms, W.C., on June 17 at noon.

15% first half rise at Gleeson

ON TURNOVER, for the six months to December 31, 1975, up 25 per cent. to £25m. pre-tax profit of M. J. Gleeson (Contractors) expanded 15 per cent. from £412,000 to £475,000 and the directors expect results for the second half to be equally satisfactory. Profit for the last full year amounted to £0.9m.

The net interim dividend per 10p share is raised from 0.56434p to 0.62077p equivalent to a cost of £95,504 (£86,822) at the gross level. The total dividend paid last year was 1.49775p.

Regarding prospects of the group—which operates as civil engineers, building contractors and estate developers—the directors say that although the order book is at present "satisfactory" the possibility remains that the Government may be unable to avoid further restrictions in public expenditure; for this reason they still take a cautious view of mid-term prospects for the industry.

After tax for the first half of £265,000 compared with £225,000 the net balance comes through ahead from £187,000 to £210,000.

Statement Page 33

U.K. boosts Lonrho to £33m. halfway

TURNOVER of British-based **Lonrho**, which has commodity, industrial and financial interests in Europe, the Middle East and Africa, increased by 141 per cent. to £477m. in the first half to March 31, 1976, and pre-tax profit advanced from £20.3m. to £33.2m. —for the full year ended September 30, 1975, the figures were £606m. and £63.3m. respectively.

According to the directors, the U.K. sector has contributed substantially to the increase in first half attributable profits, which stand 83 per cent. higher at £10.8m. (£5.9m.). They point out that it has for some time been group policy to increase its investments in the U.K.; another factor has been "the marked expansion of general overseas trade."

The group "confidently look forward to further expansion."

An adjusted interim dividend of 0.75p net has already been announced—last year's total was equivalent to 3.724p.

Profits have been calculated at the rates of exchange effective as at September 30, 1975.

	Six months 1975-76 £m.	Six months 1974-75 £m.	Year 1974-75 £m.
Group turnover	431.8	181.8	545.7
Associates	45.2	16.2	57.3
Total	477.0	198.1	606.0
Profit before tax	33.2	20.3	63.3
Group	29.9	17.2	55.3
Associates	3.3	3.1	8.0
Taxation	18.1	11.2	30.2
Net profit	15.1	9.1	33.0
Minority interest	4.3	3.2	10.9
Attributable	10.8	5.9	22.1

● comment

Lonrho's profits trend is substantially inuated by its stream of acquisitions over the past year, but the group says that its organic growth is still keeping ahead of U.K. inflation rates. The seasonal pattern in its business is getting less marked—as a proportion of the preceding three months, the much less important second quarter is larger than it has been for some years—and earnings per share could rise by over a tenth this year despite the pressures on traditional businesses like sugar and gold mining. The possibility of a prospective p/e of something like 4 has not, however, done anything for the shares which continue to underperform at 89p.

Statement Page 28

F. Sumner drops to £556,578

A DROP in profit from £906,595 to £556,578 for 1975 is reported by **Francis Sumner (Holdings)**, the lifting gear supply and servicing, engineering and textiles group. The profit—achieved from a turnover higher at £13.63m. against £12.69m.—followed a first half reduction from £433,959 to £244,549.

The directors explain that the business of some of the group's manufacturing companies has been badly affected by low priced imports, and two of the companies in this division finished the year with a loss.

However, the servicing and trading division operated reasonably well and produced satisfactory results.

Group external sales for the first four months of the current year are reported 20 per cent. up on the same period of last year. The order position is "reasonable but somewhat patchy—some companies being in a better position than others, the directors report.

"We are now well disposed to take advantage of any opportunity which might arise, and are poised for an upturn in trade widely predicted in the latter half of 1976."

	1975 £	1974 £
Group turnover	13,625,061	12,691,682
Trading profit	963,673	1,339,175
Depreciation	267,907	257,438
Net interest	189,593	175,142
Profit before tax	556,578	906,595
Taxation	298,119	448,984
Net profit	258,459	457,611
Extraordinary items	14,587	49,737
Minorities	12,278	12,730
Attributable	260,768	494,632
Interim dividend	77,296	99,764
Proposed final	78,114	44,691
To reserves	105,149	350,182

Earnings per 10p share are stated at 1.11p (2.01p). A final dividend of 0.35275p lifts the net total, adjusting for a scrip issue, from 0.65636p to 0.70275p per share, the maximum permitted.

The subsidiary **Francis Sumner Engineering** showed a turnround from a profit of £63,599 to a loss of £68,442 in the year. Earnings per share are stated at 24.3p (14.9p), reflecting a tax credit of £120,210 (£35,333 debit).

Turnbull Scott

A DROP in taxable profit from £1,473,856 to £1,182,046 before depreciation is announced by **Turnbull Scott Shipping Company** for the year to January 31, 1976, subject to £289,314 (£535,510) tax.

A final dividend of 5.123p net per £1 share raises the total from 8.414p to 9.123p.

Depreciation amounts to £446,665, compared with £455,232 and there is a surplus arising on the disposal of ships of £500,056, against £2,738,038. Dividends take £90,785 (£83,730).

'FAGS'

The directors of the **Antofagasta (Chili) and Bolivia Railway** have decided to pay six months' cash dividend of 1.75 per cent. on the 5 per cent. Cumulative Preference Stock on account of arrears. The payment will be made on July 1 to holders on the register at 3 p.m. on May 21.

After this payment, dividends on the stock will remain at two years in arrear.

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges: at nominal value (6)	Net Asset Value after deducting prior charges: at market value (7)	Investment Currency Premium (see note g) (8)
	VALUATION MONTHLY			Pence except where £ stated (see note d)			
134.4	Alliance Trust	Ord. Stock 25p	30/4/76	5.35	246.9	257.2	42.9
22.8	Capital & National Trust	Ord. & "B" Ord. 25p	30/4/76	*3.25	139.7	143.3	20.9
8.4	Claverhouse Investment Trust	Ordinary 50p	30/4/76	2.75	84.2	84.2	1.4
8.3	Crossfriars Trust	Ordinary 25p	30/4/76	2.4	83.1	83.1	–
7.0	Direct Spanish Telegraph	Ordinary 25p	30/4/76	3.8	63.2	63.2	0.5
13.6	Dundee & London Investment Trust	Ordinary 25p	30/4/76	1.85	69.6	71.3	3.5
77.6	Edinburgh Investment Trust	Deferred £1	30/4/76	4.85	234.1	252.4	41.7
38.5	First Scottish American Trust	Ordinary 25p	30/4/76	2.3	x103.9	106.5	19.1
10.5	Grange Trust	Ord. Stock 25p	30/4/76	1.58	87.5	92.5	11.5
59.0	Great Northern Investment Trust	Ordinary 25p	30/4/76	3.24	116.7	119.7	10.6
58.1	Guardian Investment Trust	Ordinary 25p	30/4/76	1.96	88.1	93.3	10.6
†	Investment Trust Corporation	Ordinary 25p	30/4/76	†	†	†	†
69.7	Investors Capital Trust	Ordinary 25p	30/4/76	1.0	92.6	99.5	22.8
23.9	Jardine Japan Investment Trust	Ordinary 25p	30/4/76	0.8	134.6	134.6	23.8
5.6	Kingside Investment Co.	Ordinary 25p	30/4/76	1.75	x53.6	54.3	2.3
30.4	London & Holyrood Trust	Ordinary 25p	30/4/76	2.7	129.9	134.6	22.2
21.5	London & Montrose Investment Trust	Ordinary 25p	30/4/76	4.0	215.0	219.9	39.0
41.6	London & Provincial Trust	Ordinary 25p	30/4/76	2.6	128.1	131.0	23.1
98.0	Mercantile Investment Trust	Ordinary 25p	30/4/76	0.8	x40.7	46.5	3.2
	Do. Do.	Conv. Deb. 1983	30/4/76	£4.30	£83.80	£89.80	£4.80
43.6	Northern American Trust	Ordinary 25p	30/4/76	2.3	x110.2	114.5	20.8
6.0	Save & Prosper Linked Inv. Trust	Capital Shares	3/5/76	–	125.5	125.5	–
46.3	Scottish Northern Investment Trust	Ordinary 25p	5/5/76	2.3125	101.6	112.0	17.0
93.8	Scottish United Investors	Ordinary 25p	30/4/76	1.55	106.7	111.6	25.9
44.0	Second Alliance Trust	Ord. Stock 25p	30/4/76	4.3	209.8	220.2	37.1
3.0	Shires Investment Co.	Ordinary 25p	30/4/76	6.4	117.9	117.9	–
37.3	Sterling Trust	Ordinary 25p	30/4/76	4.1	204.1	212.4	35.0
24.0	Technology Investment Trust	Ord. & "B" Ord. 25p	30/4/76	*B	116.6	117.9	21.1
64.2	United British Securities	Ordinary 25p	30/4/76	6.4	285.7	288.5	44.3
	Baillie Gifford & Co.						
‡108.4	Scottish Mortgage & Trust	Ordinary 25p	30/4/76	2.4	137.0	139.7	24.9
‡54.0	Edinburgh & Dundee Investment	Ordinary 25p	30/4/76	2.8	169.9	174.3	31.9
†	Monks Investment Trust	Ordinary 25p	30/4/76	†	†	†	†
14.0	Winterbottom Trust	Ordinary 25p	30/4/76	3.5	235.3	249.7	44.2
	Baring Bros. & Co. Ltd.						
†	Outwich Investment Trust	Ordinary 25p	31/3/76	†	†	†	†
23.7	Tribune Investment Trust	Ordinary 50p	27/4/76	9.6	891.6	896.4	194.2
	Cripps Warburg Ltd.						
‡13.7	Sizewell European Inv. Trust	Ordinary 10p	30/4/76	1.4	99.5	99.5	14.7
3.2	Atlanta, Baltimore & Chicago	Ordinary 10p	30/4/76	0.15	x59.4	x59.4	x10.6
3.9	West Coast & Texas Regional	Ordinary 10p	30/4/76	0.4	x73.7	x73.7	x12.6
	Edinburgh Fund Managers Ltd.						
62.4	American Trust	Ord. & "B" Ord. 25p	30/4/76	*1.35	49.7	52.2	4.0
16.2	Crescent Japan Investment Trust	Ordinary 50p	30/4/76	–	147.1	147.1	23.6
	Electra House Group						
141.8	Cable Trust	Ordinary 25p	30/4/76	4.2	163.4	163.9	12.9
	Do. Do.	Conv. Loan 1985/90	30/4/76	£6.25	£134.00	£134.40	£10.60
64.4	Electra Investment Trust	Ordinary 25p	30/4/76	3.6	122.7	123.9	12.9
117.8	Globe Investment Trust	Ordinary 25p	30/4/76	3.35	x110.0	x113.9	x8.0
	Do. Do.	Conv. Loan 1987/91	30/4/76	£5.30	£87.20	£90.30	£6.30
21.4	Telephone & General Trust	Ordinary 25p	30/4/76	6.5	x207.1	x219.1	x10.3
	Do. Do.	Conv. Loan 1987/91	30/4/76	£6.00	£93.10	£97.90	£4.10
10.2	Temple Bar Investment Trust	Ordinary 25p	30/4/76	4.5	144.2	147.4	7.5
	Do. Do.	Conv. Loan 1985/90	30/4/76	£5.75	£115.30	£118.00	£6.00
	F. & C. Group						
†	Alliance Investment	Ordinary 25p	13/4/76	†	†	†	†
18.3	Cardinal Investment Trust	Deferred 25p	30/4/76	4.5	197.3	206.5	25.3
	Do. Do.	Conv. Ln. Stk. 1985/87	30/4/76	£6.00	£106.60	£111.50	£13.70
5.1	F & C. Eurotrust	Ordinary 25p	30/4/76	0.5	64.2	64.2	16.8
150.4	Foreign & Colonial Inv. Trust	Ordinary 25p	30/4/76	2.58	189.2	199.2	39.3
25.0	General Investors & Trustees	Ordinary 25p	30/4/76	2.8	123.5	129.4	13.1
	James Finlay Investment Mgmt. Ltd.						
1.5	Provincial Cities Trust	Ordinary 25p	30/4/76	1.865	30.2	30.2	–
	Gartmore Investment Ltd.						
5.3	Altifund	Income 50p	30/4/76	6.75	101.4	101.4	–
	Do. Do.	Capital 50p	30/4/76	0.2373	151.3	151.2	5.4
23.0	Anglo-Scottish Investment Trust	Ord. & "B" Ord. 25p	30/4/76	*1.4	53.6	56.7	6.7
2.6	Ashmole Investment Trust	Ordinary 25p	30/4/76	1.25	55.8	55.8	4.0
16.0	English & Caledonian Investment	Ordinary 25p	30/4/76	2.2	95.9	99.9	9.8
23.1	English & Scottish Investors	Ord. & "B" Ord. 25p	30/4/76	*3.25	168.6	179.8	20.7
5.7	Group Investors	Ord. & Defd. 25p	30/4/76	1.4	58.8	63.1	8.1
5.2	London & Gartmore Inv. Tst.	Ordinary 25p	30/4/76	0.21	85.4	91.0	21.4
9.6	London & Lennox Inv. Tst.	Ord. & "B" Ord. 25p	30/4/76	*1.65	87.4	91.8	15.0
18.7	London & Lomond Inv. Tst.	Ordinary 25p	30/4/76	1.85	79.5	83.0	9.5
11.3	London & Strathclyde Trust	Ordinary 25p	30/4/76	1.2	53.7	58.9	9.4
9.6	Meldrum Investment Trust	Ordinary 25p	30/4/76	1.5	47.5	47.5	0.8
7.0	New York & Gartmore Inv.	Ordinary 25p	30/4/76	0.3	39.5	39.5	4.7
	Gartmore Investment (Scotland) Ltd						
65.0	Scottish National Trust	Ordinary 25p	30/4/76	2.75	177.1	182.0	31.5
16.6	Glasgow Stockholders Trust	Ordinary 25p	30/4/76	2.85	125.0	130.1	23.4
	John Govett & Co. Ltd.						
71.7	Border & Southern Stockholders Tst.	Ordinary 50p	30/4/76	4.8	320.8	339.3	47.3
32.5	Debenture Corporation	Ordinary 25p	30/4/76	2.45	100.0	103.7	13.8
9.8	General Stockholders Inv. Trust	Ordinary 12½p	30/4/76	1.125	114.6	127.2	24.2
17.7	Govett European Inv. Trust	Ordinary 25p	30/4/76	1.6	87.3	87.3	28.5
52.7	Lake View Investment Trust	Ordinary 25p	30/4/76	1.65	104.1	108.9	15.7
	Do. Do.	Conv. Loan 1973/98	30/4/76	£4.00	£138.80	£145.20	£20.90
28.1	London & Aberdeen Inv. Trust	Prefd. & Defd. 5p	30/4/76	1.55	160.9	172.9	23.4
52.6	Stockholders Investment Trust	Ordinary 25p	30/4/76	1.45	104.2	110.1	18.1
	G.T. Management Ltd.						
‡15.0	Berry Trust	Ordinary 25p	30/4/76	0.625	x63.9	x65.4	x7.2
	Do. Do.	Conv. Loan 1993	30/4/76	£4.25	£92.70	£94.80	£10.40
6.2	Northern Securities Trust	Ordinary 25p	5/4/76	2.45	117.1	123.3	19.0
12.0	G.T. Japan Investment Trust	Ordinary 25p	30/4/76	0.5	153.3	153.3	32.9
	Hambros Group						
18.6	Bishopsgate Prop & Gen. Inv. Tst.	Ordinary £1	30/4/76	–	77.6	85.9	–
20.4	Bishopsgate Trust	Ordinary 25p	28/4/76	4.4	204.5	216.1	16.5
3.0	City of Oxford Investment Trust	Ordinary 25p	27/4/76	2.4	61.9	67.7	–
41.3	Hambros Investment Trust	"A" & "B" Ord. 25p	30/4/76	*4.25	112.3	125.8	15.0
	Hambros Group (cont'd)			Pence except where £ stated (see note d)			
10.4	Hellenic & General Trust	Ordinary 10p	30/4/76	1.638	43.7	54.0	–
4.9	Rosedimond Investment Trust	Cap. Shares 25p	26/4/76	–	69.8	69.8	4.9
	Henderson Administration Ltd.						
†	Witan Investment	Ord. & "B" Ord. 25p	30/4/76	†	†	†	†
21.2	Electric & General Investment	Ordinary 25p	30/4/76	1.0	84.5	92.4	15.4
4.9	Greenfriar Investment	Ordinary 25p	30/4/76	1.0	94.7	94.7	13.9
4.9	Mendip Investment	Ordinary 25p	30/4/76	1.05	87.5	93.7	13.1
3.3	Lowland Investment	Ordinary 25p	30/4/76	1.3	53.6	53.6	2.7
1.9	English National Investment Co.	Preferred 25p	30/4/76	1.45925	29.2	31.4	–
	Do. Do.	Deferred 25p	30/4/76	0.937	41.7	50.4	–
	Philip Hill (Management) Ltd.						
17.1	City & International Trust	Ordinary 25p	30/4/76	2.73	108.7	114.4	15.2
9.4	General & Commercial Inv. Trust	Ordinary 25p	30/4/76	3.85	148.7	159.2	19.7
19.5	General Consolidated Inv. Trust	Ordinary 25p	30/4/76	2.5	91.2	94.6	11.0
†	Philip Hill Investment Trust	Ordinary 25p	30/4/76	†	†	†	†
3.7	Moorgate Investment Co.	Ordinary 25p	30/4/76	2.025	71.1	74.0	3.2
†	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	30/4/76	†	†	†	†
	Ivory & Sime						
88.3	British Assets Trust	Ordinary 25p	30/4/76	1.4	70.0	74.1	11.0
29.4	Edinburgh American Assets Trust	Ordinary 25p	30/4/76	0.75	104.6	108.1	23.1
28.7	Atlantic Assets Trust	Ordinary 25p	30/4/76	0.4	78.6	85.5	19.5
11.5	Viking Resources Trust	Ordinary 25p	30/4/76	0.75	91.5	91.5	9.2
	Leopold Joseph & Sons Ltd.						
3.3	Anglo-Welsh Investment Trust	Ordinary 50p	30/4/76	1.0	ωx55.0	w60.2	–
5.2	Leopold Joseph Investment Trust	Ordinary 25p	30/4/76	1.15	x73.6	90.4	–
4.5	Thanet Investment Trust	Ordinary 50p	30/4/76	2.4	w71.3	w74.8	–
	Keyser Ullmann Ltd.						
29.0	Throgmorton Trust	Ordinary 25p	30/4/76	3.625	59.4	63.8	–
8.7	Throgmorton Secured Growth Tst.	Cap. Loan Stock £1	30/4/76	–	–	104.0	–
	Lazard Bros. & Co. Ltd.						
†	Embankment Trust	Ordinary 25p	□31/3/76	†	†	†	†
49.6	Raeburn Investment Trust	Ord. Stock 25p	30/4/76	3.15	157.1	164.0	26.8
39.8	Romney Trust	Ord. Stock 25p	30/4/76	3.15	110.8	113.9	19.4
	Martin Currie & Co. C.A.						
10.4	Canadian & Foreign Inv. Trust	Ordinary 25p	30/4/76	2.7	134.7	139.5	23.9
17.2	St. Andrew Trust	Ordinary 25p	30/4/76	3.3	136.3	142.8	21.3
87.3	Scottish Eastern Investment Trust	Ordinary 25p	30/4/76	3.0	150.4	157.7	29.4
22.6	Scottish Ontario Investment Co.	Ordinary 25p	30/4/76	2.95	154.3	157.3	30.9
51.9	Securities Trust of Scotland	Ordinary 25p	30/4/76	4.8	197.3	221.0	34.2
3.0	Western Canada Investment Co.	Ordinary 25p	30/4/76	11.5	640.2	658.2	110.0
	Murray Johnstone Ltd.						
38.9	Caledonian Trust	Ord. & "B" Ord. 25p	30/4/76	*1.3	85.5	89.8	17.6
59.4	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	30/4/76	*1.35	82.0	85.3	16.8
16.0	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/4/76	*1.3	101.3	106.0	18.4
5.5	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	30/4/76	*1.35	80.3	86.3	15.6
18.4	Scottish & Continental Investment	Ordinary 25p	30/4/76	1.0	x76.1	x76.1	x14.2
65.6	Scottish Western Investment	Ord. & "B" Ord. 25p	30/4/76	*1.8	αx102.7	αx108.3	αx20.6
21.3	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	30/4/76	*§1.6	94.6	99.2	20.3
	Naydale Ltd.						
3.3	Simonside Investment Co.	Ordinary £1	30/4/76	0.7	85.8	87.3	11.3
	Schroder Wagg Group						
19.0	Ashdown Investment Trust	Ordinary 25p	30/4/76	3.05	160.0	168.3	24.4
	Do. Do.	Conv. Loan 1988/93	30/4/76	£4.75	£112.00	£117.80	£17.10
25.9	Broadstone Investment Trust	Ordinary 20p	30/4/76	3.65	166.4	176.6	25.2
	Do. Do.	Conv. Loan 1988/93	30/4/76	£4.50	£110.90	£117.80	£16.80
44.6	Continental & Industrial Trust	Ordinary 25p	30/4/76	4.5	230.3	245.5	34.6
‡26.3	Trans-Oceanic Trust	Ordinary 25p	30/4/76	3.65	198.2	208.0	31.7
	Do. Do.	Conv. Loan 1988/93	30/4/76	£4.50	£123.90	£130.00	£19.80
11.1	Westpool Investment Trust	Ordinary 25p	31/3/76	2.125	114.0	118.7	16.4
	Do. Do.	Conv. Loan 1989/94	31/3/76	£5.00	£102.60	£106.80	£14.80
	Stewart Fund Managers Ltd.						
56.6	Scottish American Investment Co	Ordinary 50p	30/4/76	1.8	78.1	83.4	10.7
14.4	Scottish European Investment Co.	Ordinary 25p	30/4/76	1.1	54.3	54.3	7.6
	Touche Remnant & Co.						
84.2	Atlas Electric & General Trust	Ordinary 25p	30/4/76	1.3	65.8	69.2	5.9
27.8	Bankers' Investment	Ordinary 25p	30/4/76	1.9	64.9	69.9	7.2
14.8	C.L.R.P. Investment Trust	Ordinary 25p	30/4/76	1.4	79.5	84.2	8.0
28.1	Cedar Investment Trust	Ordinary 25p	30/4/76	1.9	76.9	80.0	9.2
32.4	City of London Brewery	Deferred 25p	30/4/76	2.0	60.4	65.2	2.3
26.9	Continental Union Trust	Ordinary 25p	30/4/76	2.3	137.8	144.4	19.5
151.7	Industrial & General Trust	Ordinary 25p	30/4/76	1.14	59.4	62.1	7.3
31.1	International Investment Trust	Ordinary 25p	30/4/76	2.0	x84.5	x90.4	x11.1
42.7	Sphere Investment Trust	Ordinary 25p	30/4/76	2.3	130.0	136.4	20.5
41.5	Standard Investment Trust	Ordinary 25p	30/4/76	4.2	161.6	171.7	25.5
30.2	Trust Union	Ordinary 25p	30/4/76	2.2	121.7	127.3	15.1
54.7	Trustees Corporation	Ordinary 25p	30/4/76	2.95	158.2	165.2	14.8
	VALUATION THREE-MONTHLY						
75.3	Anglo-American Securities Corp.	Ordinary 25p	15/4/76	2.35	118.4	125.7	21.4
2.5	Cumulus Investment Trust	Ordinary 25p	30/4/76	0.7	34.3	37.0	2.3
15.1	London Electrical & General Trust	Ordinary 25p	31/3/76	2.4	97.6	103.1	9.1
29.2	London Scottish American Trust	Ord. Stock 25p	30/4/76	3.575	161.4	170.0	26.7
6.8	Oil & Assoc. Investment Trust	Ordinary 25p	31/3/76	1.625	64.0	65.3	8.1
	Do. Do.	Conv. Loan Stk.	31/3/76	£6.25	£144.00	£146.20	£18.20
8.7	Safeguard Industrial Investments	Ordinary 25p	31/3/76	3.8	73.2	78.5	–
50.8	United States Debenture Corp.	Ord. Stock 25p	30/4/76	2.68	108.6	112.6	18.2
	Do. Do.	Conv. Ln. Stk. 1993	30/4/76	£5.00	£119.50	£123.90	£20.00
	Carliol/Tyneside Group						
18.7	Carliol Investment Trust	Ordinary 25p	30/4/76	2.75	150.3	155.9	30.7
	Do. Do.	Conv. Loan 1994/99	30/4/76	£4.50	£129.80	£134.10	£26.40
10.7	Tyneside Investment Trust	Ordinary 25p	30/4/76	2.75	143.1	146.7	27.7
	Do. Do.	Conv. Loan 1994/99	30/4/76	£4.50	£123.10	£126.20	£23.80
	East of Scotland Investment Mgrs.						
39.8	Aberdeen Trust	Ord. Stock 25p	31/3/76	3.5	153.0	163.5	20.0
9.8	Dominion & General Trust	Ordinary 25p	29/2/76	5.25	208.3	221.8	31.3
23.4	Pentland Investment Trust	Ordinary 25p	29/2/76	2.85	122.6	128.4	18.6
	Kleinwort Benson Ltd.						
23.6	British American & General	Ordinary 25p	30/4/76	1.25	45.1	46.2	5.9
37.4	English & New York	Ordinary 25p	30/4/76	1.9	86.7	89.3	15.3

*Applies to Ordinary "A" Ordinary only. ‡ Includes special dividend. ∞ Adjusted for scrip issue. α Adjusted for rights issue. ∴ Company will announce year-end or interim results shortly. x w See note (h) below. □ Valuation Two-monthly. Φ Not directly comparable with previous published figure. B Dependent on "B" share conversions. § Change in the prior charges since the previous published figure.

Notes:—

(a) Cols. 1, 6, 7 — Quoted investments are valued at mid-market prices; unquoted at directors' valuation: both include 100 per cent. of any investment currency premium after taking into account the premium on any surplus or on any shortfall of foreign currency assets against foreign currency loans.

(b) Cols. 1, 6, 7 — All revenue account items are excluded.

(c) Cols. 1, 6, 7 — No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.

(d) Cols 5-8 — Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated: columns 6-8 to nearest one-tenth of a penny per share and 10p per £100 Convertible Loan Stock.

(e) Col 5 — Dividend is the last declared annual dividend or firm forecast, excluding imputation credit. Interest on loan stocks is stated gross of income tax.

(f) Cols. 6-7 — Prior charges are deemed to include preference share capital.

(g) Col. 8 — The amount per share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the valuation for cols. 1, 6 and 7.

(h) Cols. 6-8 — Convertible loan/preference stocks and warrants or subscription rights are treated in the way which produces the lower n.a.v. per share. Convertible stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges; warrants or subscription rights are treated as exercised, except where a figure is marked "w".

AITC

A booklet "Investing in Investment Trust Companies" is available from: The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London, EC2M 7JJ.

Selincourt profit slips to £1.5m.

THE trading level, profit of ...ent and textile manu-...urers, **Selincourt**, improved by ... per cent. to £1.6m. after ...est charges but pre-tax was ... from £1.72m. to £1.52m., ... a lower first-half result of ...000, compared with £718,000. ...t the directors say that the ...ent year promises well with ...r books fuller than at this ... last year and with some ...s of the business being very ...ant—they look to the future ...h confidence."

...rnings per 5p share for the ..., before extraordinary items, 1.09p (1.71p) and after, 1.28p ...p). Final dividend is 0.44p which raises the total from ... to 0.79p, the maximum ...itted.

...bsidiaries Tricosa in France ... MacDougall in Scotland ...n returned losses though in ... case lower than previously. ...ently Tricosa appears "well to pay its way this year and ...substantial improvement is ...ected from MacDougall."

... January 31, 1976, group ...rves amounted to £3.58m.

	1975-76	1974-75
	£000	£000
...over()	39,902	34,902
...ing profit	1,603	[illegible]
...m. loan stock	71	432
...gn exchange loss*	[illegible]	111
...before tax	1,520	1,716
...	1,058	984
...profit	461	732
...rity interest	6	20
...-ord. credits	79	2349
...utable	535	363
...ends	332	308
...ned	203	55

...Includes exports up by £369,000. ...ates mainly to the medium-term loan ...5m. francs arranged in Paris in ... to assist with the purchase of Tricosa ... ‡ Debits. †† High tax figure attri... mainly to losses in France which ...not available for group relief in the.

Comment

...foreign exchange losses are ...quantified by Selincourt at ...interim stage precise second ... trading profits are undis-...ed, but certainly the year ...ed on a strong note with per-...s nearly £1m. of trading ...fit in the closing six months. ... advance at the trading level ...argely the result of a drop in interest charges of about £130,000, and the reduced losses from Tricosa and MacDougall at £380,000 (£500,000). But also on the sales front the picture is improving, particularly at Tricosa (the current order book is up by a third) and the group is optimistic for this year, though borrowings remain high at perhaps just over 200 (240) per cent. of Ordinary shareholder's funds. At 11p the shares yield 11.4 per cent. covered 1.4 times even after last year's heavy tax charge.

Gieves sees same profit level

MR. M. E. A. KEELING, chairman of the Gieves Group, says that the difficult trading conditions encountered during 1975 still remain in varying degrees and budgets for the current year indicate that *results may not be dissimilar from those, in 1975-76.*

The year started with a greatly improved liquid position. The group is well placed to take full advantage of business opportunities as they arise and also of any recovery in economic conditions, adds the chairman.

As reported, group pre-tax profits fell from £847,153 to £551,515 *in the year ended* January 31, 1976. An analysis shows: Parent company—rents received less central expenses £45,443 *(£56,561); tailoring and outfitting* £154,245 (£81,382); book manufacture £381,261 (£538,545) loose leaf binding equipment £162,816 (£203,024); motor dealers and car park operators £98,804 (£253,146); less interest £291,054 (£285,405).

The chairman says that when 1975-76 started, the main priority was to protect the group against inflation and to reduce *short-term* borrowings. *Principal steps* taken to achieve this were sales of the leasehold interest in Poland Street Garage and the freehold property in Harrow. The group also closed or sold nine of the smaller branches of Gieves and Hawkes which substantially reduced capital employed in this division.

The effectiveness of the measures can be judged by the fact *that, despite inflationary pressures,* the net overdraft has been reduced from £2,065,583 to £918,338 at January 31, 1976. Since the year-end this improving trend has continued, says Mr. Keeling.

At at January 31, 1976, the *book value of net assets attributable* to each Ordinary share amounted to £1.07p per share (99p). If a property surplus of £400,000 is taken into account the net asset value rises to £1.19.

As at April 19, 1976, London and *Yorkshire Trust Holdings* was beneficially interested in 13.4 per cent. of the Ordinary shares and 1.3 per cent. of the Preference and "B" Preference Shares.

Meeting 87, Eaton Place, S.W., June 11 at noon.

SW Unit Trust merger

Slater Walker Unit Trust Management announces that at meetings of the following trusts held yesterday resolutions to effect the proposed amalgamation of the trusts were passed.

They were: Slater Walker Commercial Consolidated Trust; *Slater Walker Consolidated Trust;* Slater Walker Investors General Trust; Slater Walker Unit "D" Trust and Slater Walker Hundred Securities Trust.

The scheme will become effective on June 15 when the enlarged trust will be renamed Slater Walker Commercial and Industrial Trust.

Meeting of Slater Walker Investors Second General Trust was adjourned to June 4 as the requisite quorum was not attained. Subject to passing of *resolutions at the adjourned meeting, this trust will also form part* of the scheme of amalgamation.

Leisure Caravan up £0.23m.

IN LINE with the indications given at halftime that the profit of 1975-76 would not be much different from the £1.15m. reported for the first half, **Leisure Caravan Parks** has turned in a pre-tax figure of £1.19m. for the year ended February 28—a record for the twelfth successive year and an increase of £229,992 on 1974-75.

Earnings per 10p share are stated to be up from 7.4p to 9p. The dividend is raised from 4.42p to 4.419p net, with a final of *3.149p.*

	1975-76	1974-75
	£	£
Profit before tax	1,185,241	955,249
Charged:		
Interest	123,632	150,584
Depreciation	121,731	109,217
Taxation	480,000	380,000
Net profit	705,241	575,242
Dividends	377,380	345,507
Retained	327,861	229,742

Occupation of the parks continues at a high level and all indications are that the rate of growth in profits of the group will be maintained, the directors state.

Cash flow continues to be satisfactory. Bank overdrafts—at their highest at the end of February—have been considerably reduced, partly by *medium-term* borrowings and partly by cash flow *improvements.*

The Eurodollar loan of U.S.$600,000 fell due for repayment on January 5, 1976. However the group purchased the *dollars forward on the earliest* date permitted by the Bank of England and the worst of the fall in value of sterling was avoided. *A sum of £500,000 over seven* years was borrowed from Barclays Bank, of which £278,000 was used to repay the Eurodollar loan.

Cash flow this summer is expected to follow the same trend as in previous years so that all overdrafts will be repaid and it is expected that the group will have in excess of £1m. on short-term deposit.

While LCP is the largest holiday caravan park operators in the U.K., it controls less than 3 per cent. of holiday pitches and, with cash resources intact the group is well placed to finance acquisitions "providing they measure up to our standard of yielding profit in the near future," the directors state.

£2.28m. from Whitbread Investment

Taxable profit of **Whitbread Investment Co.** rose from £1.81m. to *£2.28m.* during the year ended March 31, 1976, after being ahead from £0.95m. to £1.21m. in the first half.

Yearly earnings per 50p share are up from 5.69p to 6.66p and dividends total 6.5p net (5.5907p), *with a 4.182p final*

	1975-76	1974-75
	£	£
Profit before tax	2,280,818	1,812,149
Taxation	879,710	614,614
Net profit	1,401,108	1,197,535
Dividends	1,366,857	1,175,634
Retained	34,252	21,951

Reports to annual meetings

...he chairman of London Brick, ... Ronald Stewart, told share-...olders at yesterday's annual ...eting that "production has ...n steadily built up until it is ...v nearly 10m. bricks a week in ...ess of the same period of last ...r." With regard to prospects ... the current year, Sir Ronald ...ted that brick sales were being ...intained by the continued ...oyancy of both the private and ...lic sectors of new house-...lding, but that it was difficult ... predict whether the momentum ... be maintained. He said that ...'s have, however, made a good ...rt and unless there is a setback ... housebuilding, results for the ...ar should prove satisfactory."

Mr. Brian Ball-Greene of ...nicorn Industries stated that ...ere has been a general quicken-...ig of demand and that while this ...'d not signal boom conditions it ...as sufficient to justify prediction ...at, in the absence of a major ...versal of current trends, profits ...ould show a significant improve-...ent in 1976.

The BBA chairman, Mr. Michael Pearson, was of the opinion that profits for the whole of 1976 were not likely to be less than those for 1975. He also referred to the publicity given to the health risks associated with asbestos and stated that "we believe that the risk to the general public has been grossly exaggerated, and that this has caused quite a lot of unnecessary worry." He added that the "Government had now instituted an inquiry, and I hope that this will be carried through quickly and thoroughly."

In the first four months of 1976, the order intake of **Expanded Metal** shows an improvement of over one-third and turnover an improvement of almost a quarter. "Export orders are almost double the 1975 figure," the chairman, *Sir Patrick Hamilton, told* shareholders at the annual meeting.

The chairman of Erith said that the upward trend of sales had continued nito the first four months of 1976 and that, after inflation, profits were ahead of budget.

The chairman of **Delta Metal,** Lord Caldecote, was equally confident and stated that profits for 1976 would be appreciably higher in 1976 than in the previous year.

Martin-Black's accounts for the first quarter of 1976 show both sales and profits comfortably ahead of the comparable figures for 1975. The chairman, Mr. J. E. O. Arnold said that the *outlook is regarded as encouraging.*

The chairman of **Henry Boot and Sons,** *Mr. E. Hamer Boot* told shareholders that, for the first quarter of 1976 "the excellent results of the construction company in 1975 had been maintained. Several multi-million pound contracts have been *secured, and the newly-formed* international division had tendered for a very large contract in Hong Kong. Joinery activity has been encouraging, he added, and the property companies "should produce a good result again this year."

Robertson Foods improves: further rise ahead

COMPARED WITH the midway forecast of profits not less than the £2.11m. achieved in 1974-75 Robertson Foods reports a pre-tax balance increased to £2.27m. for the year ended March 31, 1976.

Earnings per 25p share are stated to be up from 9.79p to 10.02p. The net dividend is raised from 4.27p to 4.66p, with a final of 3.54p.

	1975-76 £000	1974-75 £000
Turnover:		
U.K.—Home	37,319	[illegible]
U.K.—Export	[illegible]	2,992
Overseas	[illegible]	4,7[illegible]
Total	45,9[illegible]	41,5[illegible]
Trading profit	2,97[illegible]	3,0[illegible]
Debenture interest	[illegible]	210
Other interest	[illegible]	159
Profit before tax	2,274	2,111
U.K.	1,9[illegible]	1,7[illegible]
Overseas	[illegible]	[illegible]
Taxation	1,2[illegible]	1,076
Net profit	1,0[illegible]	1,0[illegible]
Exceptional costs*	41	45
Minorities	[illegible]	31
Preference dividends	14	[illegible]
Ordinary dividends	425	397
Extra-ordinary items	—	522

*After tax relief.

Mr. R. C. Robertson, chairman, says that despite the fall in the sugar price in the Autumn which enabled the group to reduce prices, the anticipated improvement in demand for preserves did not materialise until much later than envisaged.

The directors took the decision to stimulate further consumer demand by increased sales activity in the last quarter. This move, although it affected margins, was successful and the group's share of the preserves market is now higher than the last four to five years.

This increase in volume, coupled with anticipated improving margins, creates a sound base for the current year, and the future prosperity of the group, says Mr. Robertson.

A substantial expenditure on new plant and equipment, particularly in the breakfast cereals division, has been approved the cost of which will come from group resources. Benefits should start to be felt before the end of 1976-77.

The chairman does not feel that he can at this time make a prediction of current year profitability, but he considers that this will show an improvement on 1975-76.

● **comment**

Robertson is 7½ per cent. ahead pre-tax and a dip of £0.3m. in the interest charge accounts for more than the overall upturn. Preserves have not had an easy year with volume dropping by about 5 per cent. and the important Christmas mincemeat trade running into volume declines of a fifth or so. Keen competition from own label brands have been the problem with mincemeat. But cereals have made further progress, and for 1976-77 this pattern should continue with Robertson's market share in cereals moving upwards and extra capacity still coming on stream. Meanwhile, borrowings have eased lower to under 45 per cent. of tangible shareholders' funds, and this year the sugar price has not so far applied any noticeable pressures to working capital levels. At 87p the shares yield 8½ per cent., covered just over twice. Robertson has a market capitalisation of £8m.

James Crean unchanged at halfway

A standstill in taxable profit at £278,000 is announced by James Crean for the six months to December 31, 1975. Profit for the last full year totalled £498,902.

The interim dividend per 50p share is held at 3.75p gross and the directors anticipate that the final payment will be at least as great as last year's 6.25p.

Figures for the first half exclude the recently acquired Wade Group. Trading by Wade is in line with expectations at the time of the acquisition and the outlook for the coming year is encouraging, says chairman Mr. D. McCullough.

The company's interests lie in the bottling, distribution and wholesale of beer, manufacture and distribution of mineral water, distribution of electrical and industrial products, etc.

	Six months 1975 £000	Six months 1974 £000
Turnover	4,456	[illegible]
Profit before tax	278	278
Tax	139	136
Net profit	139	130
Minority profits	21	22
Attributable	118	114
Ordinary dividend	81	[illegible]
Preference dividend	1	1

Odex Racasan record

FROM SALES up by 16.8 per cent. to £7.32m., pre-tax profit of manufacturers of hygiene products, Odex Racasan improved from £720,103 to a record £773,024 for the year ended March 31, 1976, an advance of 7.4 per cent.

When reporting first half profits ahead from £364,200 to £375,400, the directors were hopeful of a year-end increase. Now they say that in view of the extremely difficult trading conditions that have existed throughout the greater part of the year, the results obtained must be considered very satisfactory, particularly in the light of the material improvement in the second half-year. Assuming there is no marked deterioration in the country's economic situation, the prospects for 1976/77 "appear to be encouraging;" no liquidity problems are foreseen, they add.

Earnings per 25p share for the year are shown to be up from 11.6p to 12.3p and the final dividend is the maximum permitted 2.7955p net, making a total of 3.8855p, compared with 3.5757p—a one-for-two scrip is proposed for the end of July.

	1975-76 £	1974-75 £
Sales	7,316,529	6,365,250
Profit before tax	773,024	720,103
Tax	358,555	362,574
Net profit	364,469	357,529
Preference dividends	6,125	6,125
Available Ordinary	375,344	351,404
Ordinary dividends	255,918	242,302
To reserves	8,730	8,730

BIDS AND DEALS

Now 56p offer for Brighton

GRA Property Trust says it has received a further offer of 56p per share for its holding in Brighton and Hove Stadium.

Mr. David Spencer, financial director of J. Coral Holdings, admitted that Coral had made a bid but he added "I cannot confirm or deny that our offer was 56p per share."

The new sharply higher bid has immediately ruled out the other two bidders for the share stake. Mr. Keith Wickenden, a director of Brighton Football Club, said: "We are now out of the bidding. We think this latest price is far too high."

Mr. Cyril Stein, chairman of second bidders in the field, Ladbrokes, declared that his group was not prepared to increase its offer of 46p per share."

LAPORTE VENTURE IN BRAZIL

Laporte Industries (Holdings) has acquired, for approximately £1.5m., a 40 per cent. participation in the Bentonit Uniao Group, a principal manufacturer of the special clay mineral, Bentonite, in Brazil.

The Demand for Bentonite in the oil drilling and foundry industries has been notable for its growth as the Brazilian economy has expanded.

Laporte's major existing operations in this field are in the U.K. and in Spain where it has a 40 per cent. shareholding in the principal Spanish producer, Minas de Gador SA.

Laporte has already two existing interests in Brazil which form part of the world wide Interox operations jointly owned by Laporte and Solvay et Cie.

Mr. R. G. Marshall will join the Board of the BUN Group and will be resident in Brazil.

EXPANSION BY EMC

Electronic Machine Company has purchased from the Receiver of Aveley Laboratories the share capital of APT Radar Systems of Byfleet, Surrey, for £27,500 payable over 18 months—an additional £10,000 is payable on the company receiving an order for a new radar system which it has developed.

It is expected that within the EMC Group, APT will make a minimum contribution of £60,000 to overhead and profit. Assets being acquired are slightly in excess of £60,000. APT will provide added turnover to EMC's precision engineering company, Britannia Tool Co., of Coventry, it is stated.

E. E. JEAVONS

E. E. Jeavons and its financial advisers are studying the formal offer from Pentos. Meantime shareholders are strongly advised to take no action in response to the offer.

BLACK AND EDGINGTON

Black and Edgington, the camping, canvas and leisure group, has acquired, through its subsidiary Blacks Travel Agency, a majority stake in London travel agents, Carlton International Travel for a £16,500 consideration. This follows the recent acquisition of Gower Travel of Glasgow and forms part of a planned expansion of the group's travel agency interests.

HUGH BAIRD

The unconditional offers made by Manbre and Garton for the capital in Hugh Baird not already owned have been accepted in respect of 3,945,064 Ordinary units and 68,239 Preference shares. Acceptors in respect of 1,748,245 Ordinary units elected for the cash alternative.

Manbre now owns 91.1 per cent. of the Ordinary and 92.6 per cent. of the Poreference. The offers, other than the cash alternative, will remain open.

ALBRIGHT & WILSON

Albright and Wilson has concluded a long-term agreement with Chemapol Bratislava Foreign Trade Company, Czechoslovakia, for the sale and distribution of Czech-manufactured hexamine in the U.K. and Eire. Albright and Wilson, formerly manufactured hexamine at its Wakefield works, which was disposed of last year.

The agreement is part of a reciprocal trade agreement between the two companies currently in negotiation.

EMU WINE

Emu Wine, recently acquired by Thomas Hardy of Australia, is to make a cash offer of 58p a share for the 89,615 Ordinary shares of Stephen Smith (10.2 per cent.) it does not already own.

Smith's principal assets are cash deposits with U.K. banks; it does not trade and there is no intention that it should do so.

Results of Smith for 1975 were also announced yesterday which show pre-tax profits down from £59,471 to £52,131, and a dividend of 1.032p (0.938p).

STANWOOD RADIO

Thorn Electrical Industries announces valid acceptances have been received in respect of 3,417,016 Ordinary shares of Stanwood Radio, representing 88.76 per cent. of the shares, the subject of the offer. Thorn now beneficially owns 91.34 per cent. of the capital. The offer remains open.

WOODSIDE GARAGES

Car Care Plan (Securities Division), originator of the range of Car Care Plan extended warranties, has become the holding company for Woodside Garages (Leeds) and other companies in the Woodside Garages Group. The move gives Car Care Plan a paid-up share capital of £90,000.

JOREHAUT HLDGS.

Jorehaut Holdings does not intend to make a bid for the balance of the Ordinary capital of British Indian Tea (Holdings) which it does not already own.

ASSOCIATES DEALS

Allied Irish Nominees, on behalf of Barrow Milling, purchased 41,500 Bolands on May 14 at 40p.

J. and E. Davy on May 14 bought on behalf of an associate of Barrow Milling 41,500 Boland at 40p.

O'Donnell and Fitz-Gerald on May 14 bought 15,000 Boland at 40.5p on behalf of an associate of Bolands.

Paul E. Schweder, Miller on May 10 sold 10,000 Forum Properties at 38p on behalf on an associate of the offeree company.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P.E. Ratio
—	F.P.	—	£25¾	£21¾	Berry Pacific Fd. US$1	£24¼	−1¼	40c	—	6.6	—
$10,500	F.P.	—	$10,300	$8,500	Bredivest S.A.	[illegible]	.....	—	—	—	—
—	F.P.	—	23	23	Emhart Corp. US$1	£23	.....	$1.20	—	5.1	—
—	F.P.	—	£17½	£14¾	I.C. Inds.	£15½	−¾	$1.00	—	4.0	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
US$100	F.P.	—	$1[illegible]	$100	Barclays Bk Intl. 9¾% Cap. Notes 198[illegible]	$100	.....
✠ 115p	F.P.	18/5	126	119	Bowring (C.T.) 10% Conv. 1987	126	+1
**£98½	F.P.	4/6	100	99½	Chester Water 8% Red. Pref. 1981	99½	.....
**£99½	F.P.	11/6	100¼	99½	East Worcs. Water 8% Red. Pref. 1981	99	.....
US$100	F.P.	—	99¼	98½	EAC 9½% Notes 1981	$98¼	.....
US$100	Nil	—	$99¼	$99¼	Lloyds Eurofinance Guar. Fl'ting N'tes 1983	$99¼	.....
**£98¼	£10	—	11¼	10⅝	Newcastle & Gateshead 8% Red. Pref. 1981	11¼	.....
US$100	Nil	—	101	10[illegible]	[illegible] Bank of Scotland Floating Rate 198[illegible]	$101	.....
US$100	F.P.	—	100½	99¾	Sandvik 9½% Bonds 1986	$99¾	.....
✠£100	£50	6/7	74	69	Scot. Met. 8% Conv. '93/8	68	+1
**£99	F.P.	14/5	99½	99¼	Sutton Dist. Water 8% Pref. 1981	99¼	.....

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates		1976 High	1976 Low	Stock	Closing Price p	+ or −
380	Nil	—	—	194	113	Aust. & N.Z. Bank	113pm	−2
87	F.P.	30/4	28/5	124	105	BICC	123	−1
250	Nil	28/5	25/6	48	35	Bank of Ireland	48pm	+2
DM100	Nil	—	—			Bayer		.....
70	Nil	1/6	9/7	35	22	Boddingtons	33pm	.....
13	Nil	28/5	11/6	4½	1½	Boulton Wm.	3½pm	.....
65	F.P.	18/5	15/6	85	73	Bowring C. T.	83	+2
20	F.P.	19/5	9/6	95	77	Brent Chemicals	93	.....
190	F.P.	9/4	21/5	251	214	De La Rue	249	.....
50	F.P.	19/5	9/6	70	65	Elliott (B.)	66	−½
36	F.P.	7/5	18/6	50	41	Eva Inds.	45½	.....
63	F.P.	17/5	11/6	76	69	Garnar Scotblair	69	.....
85	F.P.	21/5	18/6	111½	104½	Glynwed	110½	+½
106	F.P.	14/5	11/6	151	151	Greene King	151	.....
305	Nil	27/5	2/7	124	96	Heath (C.E.)	124pm	+2
330	Nil	—	—	49	44	I.C.I.	45pm	−1
47½	Nil	—	—	18	16	Lesney Products	16½pm	−½
57	F.P.	3/5	20/7	71½	64	Lovell (Y.J.)	68½	.....
188	Nil	28/5	9/7	28	20½	Lucas Inds.	24pm	−1
105	F.P.	3/5	9/6	116	104	Lyons J. & A	106	−1
70	F.P.	21/4	19/5	96	89	Parker Timber	91	.....
45	Nil	22/4	3/6	61½	49½	Rolls-Royce Motors	61½	.....
125	F.P.	4/5	1/6	150	143	Rotork	145	+1
400	F.P.	—	—	492	446	Selection Trust	465	−7
10	F.P.	7/5	28/5	16	12½	Southern Construction	12½	−½
38	F.P.	16/4	28/5	54½	47	Staflex Int.	50	.....
64	F.P.	24/3	25/5	114	92½	Stenhouse Hldgs.	109	+2
240	F.P.	5/5	26/5	290	277	Taylor Woodrow	290	+2
45	Nil	—	—	11	1½	Tricentrol	4pm	−½
87½	F.P.	25/4	8/6	97½	89	Trust Houses Forte	95	+1½
130	F.P.	15/5	11/6	165	145	Turner & Newall	147	...
$A1.20	Nil	18/6	—	64	55	Western Mining	64pm	+5
7	F.P.	—	—	61	51	Woolcombe-Burmah	61	...

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. g Forecast dividend; cover based on previous year's earnings. u Figures based on prospectus or other official estimate for 1976. r Figures assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✠ Offered to holders of Ordinary shares as a "rights." ♥ 20n S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ¶ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ▲ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

MINING NEWS

Rising earnings at Oakbridge

BY KENNETH MARSTON, MINING EDITOR

ANOTHER example of the growing prosperity of the world coal-producing industry comes from Australia's Oakbridge mining and manufacturing group which was formerly Slater Walker Australia. Looking at results for the past nine months, Oakbridge reckons that net operating profits for the current year to June 30 could be significantly more than the $3.38m. (£2.31m.) made in the previous 12 months.

The directors state that since December the group's coal production has been increased to an annual rate of 1.25m. tonnes of washed coal and could be lifted further when shipments to Japan return to the more normal levels which are expected towards the end of this year.

It is added that approvals have been recently granted for the opening of the new colliery at Lawrence in New South Wales which will initially produce an additional 1m. tonnes of coal a year. Its first export shipments are due at the beginning of 1979.

Meanwhile, sales of Oakbridge's investment properties and shares and the collection of old debts and loans of the discontinued investment banking business have progressed satisfactorily and are expected to realise over $10m. (£6.83m.) during the next two years. Oakbridge shares closed 4p up at 86p yesterday after having reached a year's high of 87p.

STEEP ROCK'S POOR QUARTER

Owing to the provision for a possible termination of operations in 1979, low production, high unit costs and less favourable than expected exchange rates, Canada's Steep Rock Iron Mines, in which Canadian Pacific Investments has a near 68 per cent. interest, reports a net loss of $440,934 (£245,900) for the first quarter of 1976 compared with an adjusted profit of $113,646 for the same period a year ago.

The loss is expected to be retrieved during the remaining months of the year and significant working capital accumulation is also anticipated. Although the company does not have a mining plan that permits operations beyond 1979, a proposal is being made to Caland Ore to permit Steep Rock to enter the "C" ore zone before Caland's scheduled departure at the end of 1979. The possibility of bringing ore or concentrates to Steep Rock's Atikokan plant from outside sources is also under active examination.

MINING BRIEFS

NEW GUINEA GOLDFIELDS—April production: Golden Ridges Mill: Milled 7,668 tonnes, ore assaying 0.0994. Gold produced 594.94 ounces. Silver produced 641.18 ounces. Edie Creek: Gold produced 22.79 ounces. Silver produced 16.97 ounces. Wau Sawmill: Sawn timber produced, super feet, 346,600.

W. Mining's $42m. stocks

AUSTRALIA'S Western Mining discloses that at April 6 the value of its nickel stocks was $42m. (£28.7m.) in its detailed circular regarding the proposed $32m. rights issue. As already reported, shareholders are being offered three new shares at 120 cents (equal to 131p when the current investment dollar premium is added) for every 20 held. The offer closes on June 18. The existing shares were 178p cum-premium yesterday.

The new money is required principally for initial spending on the Yeelirrie uranium project which, subject to Australian Federal approval, expects to secure long-term sales contracts at satisfactory prices for all production through the 1980s, starting in the early years of that decade.

The company's finances have been strained by the need to carry the heavy unsold stocks of nickel, but it is hoped to reduce them to normal levels as the incipient recovery in the nickel market gains strength. Thus there is a major profit potential in addition to the group's other growth prospects.

In the meantime, however, the current dividend forecast is of an unexciting "not less than 2½ cents" (1.7p) per half-year on the increased capital. The 27m. new shares now being offered, however, will not rank for dividends before January 1, 1977 and only for half the rate declared on the other shares between that date and June 30, 1977.

Beaver Group downturn

On sales up from £2.97m. to £4.08m., pre-tax profit of paint, etc. manufacturers, The Beaver Group, contracted from £412,823 to £286,100 for 1975, after £160,266 (£175,378) for the first half.

Earnings per 25p share for the year decreased from 8.3p to 3.4p. A final dividend of 1.32623p lifts the total from 2.325p to 2.82625p net.

The results include the profits of Cumberland Curled Hair Manufacturing from July 1, 1975.

Properties have been professionally revalued at end 1975. The resulting gain amounts to £617,109 of which £186,300 has been provided for tax leaving £430,809 to be added to reserves.

Hambros Trust revenue up

TAXABLE REVENUE of Hambros Investment Trust increased from £988,746 to £1.17m. in the year ended March 31, 1976, and earnings per 25p "A" share are stated to be up from 4.63p to 4.69p.

The "A" dividend is unchanged at 4.25p net, with a final of 2.85p. The scrip issue for "B" holders is in the proportion of 3.4035 "B" shares for every 100 held.

Proposals are announced to simplify the company's capital structure into one class of Ordinary shares.

"A" holders are to get a special dividend of 3p per share—payable about July 31—and a scrip issue of one new "A" share for every 20. "B" holders get their scrip issue in respect of 1975-76 in the usual way. The rights of the "A" and "B" shares would then be altered to rank pari passu in all respects as one class of shares to be redesignated Ordinary shares.

The directors cannot at this stage give a firm forecast of dividend for 1976-77 but on basis of present estimates they would expect to recommend dividends of at least 3p per share on the enlarged capital.

	1975-76	1974-75
	£	£
Revenue	2,021,528	1,931,224
Interest & expenses	848,083	942,478
Pre-tax revenue	1,173,522	988,746
Taxation	451,932	348,039
Net revenue	721,590	640,707

Net asset value per share was 108.9p (85.2p).

British Investment Trust outlook

For the current year the directors of British Investment Trust forecast an increase in earnings and say that they hope to be able to maintain the pattern of regular dividend increases of the past several years.

They intend to step up this year's interim payment—to be made in December—in order to reduce the disparity with the final.

In the U.K. the general outlook for profits is "reasonably good" and overseas investments should continue to maintain progressive earnings records which should be reflected in improved capital performance, the directors state.

The company's well spread portfolio should prove rewarding in the future, they add.

As already reported, total revenue for the year to March 31, 1976, was up from £4.63m. to £4.75m., earnings per 25p share advanced from 3.45p to 3.55p and the dividend is raised from 3.35p to 3.55p net.

The net asset value per share was 182.5p (142p) at March 31, of which the full currency premium represents 35p per share.

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Cornwall Property

TAXABLE PROFITS of Cornwall Property (Holdings) show an increase from £640,000 to £913,000 in the six months ended September 30, 1975.

After all charges, including net outgoings after tax attributable to development properties of £205,000 (£184,000)—met by a transfer from capital reserves—and crediting extraordinary items of £327,000 (£196,000), there is a surplus of the period of £1.18m. against £0.71m.

	First-half 1975-76	1974-75
	£000	£000
Turnover	2,910	10,924
Interest	122	165
Pre-tax profit	913	640
Taxation	55	95
Net outgoings	205	184
From capital reserves	205	184
Minorities	1	30
Extraordinary credits	327	196
Net surplus	1,184	711

The half-year results of three subsidiaries of Cornwall (itself controlled by Argyle Securities) are as follows:

Alliance Property—pre-tax profit up from £867,000 to £1.18m. and net surplus ahead from £792,000 to £1.12m.

Alliance Property Holdings—pre-tax balance up from £678,000 to £991,000 and the net surplus rising from £0.79m. to £1.19m.

Copthall Holdings — first-half pre-tax profit ahead from £356,000 to £475,000 and net surplus emerges at £505,000 (£308,000).

Statement Page 32

Astbury & Madeley confident

GROUP TURNOVER of Astbury and Madeley Holdings continues to increase over that of the previous year and while much of the rise is due to the continuing effects of inflation, chairman Mr. Harry Palmer says that he is encouraged by results presently being achieved by all subsidiaries.

Cash flow in the current year has been favourable to date and the bank overdraft position at the year end should show some improvement—at December 31 it stood at £487,547 (£307,356).

Members are told that the group exceeded in 1975, principally at gross profit margin level, the profit permitted. Margins have already been adjusted to eliminate excess profits, but the directors feel that current year profits should not be materially depressed by such adjustments.

The chairman assures holders that the group is in a strong position to take full advantage of any upturn in the economy.

In 1975 group pre-tax profit increased from £425,030 to £504,107. The improvement was achieved entirely by the merchanting companies in which a wide and more diversified sales policy and careful overhead control, combined to produce increased profitability.

Hotel York

From turnover of £257,901 against £198,780 pre-tax profit of Hotel York for 1975 fell from £76,949 to £68,925.

After tax of £36,896 (£39,003) the net balance emerges down from £37,946 to £32,029. There is an extraordinary profit of £1,254 (loss £12,318).

The directors propose to cancel the entire Preference capital on terms of 70p per share plus accrued dividends to payment date, and to partly repay the Ordinary shares to the extent of 75p per share, reducing the nominal value to 25p per share.

RESULTS AND ACCOUNTS IN BRIEF

ARCHIMEDES INVESTMENT TRUST—Gross revenue £44,441 (£41,697) for six months to April 30, 1976. Net income £24,742 (£23,158) after tax £15,536 (£11,927). Earnings per 25p Income share 2.02p (1.89p). Net asset value per 50p Capital share 64.5p (64.0p). Interim dividend 1.82p net (same). Board says it will be possible at least to maintain total of 4.20p for year.

AUSTRALIAN AND INTERNATIONAL TRUST—Net assets as at April 30, 1976, £8,142,054 after providing £37,436 in respect of tax on realised capital gains in the nine months from July 31, 1975. Net asset value per 50p share, 108p (105p at July 31, 1975).

L. BARGET (furniture manufacturers)—Sales for six months ended March 31, 1976, £1,964,735 (£1,576,416). Profit £82,000 (£56,355) less tax £43,000 (£29,000). To some extent improved demand experienced in first half slackened in recent months, but results for full year are expected to show an improvement on last year's £111,722. No interim dividend (same) but directors anticipate recommending a dividend for year not less than the 0.383375p net for 1974-75.

BARLOWS (packers and warehousemen)—Results 1975 already known. Group fixed assets £101,092 (£102,382). Investments £161,494 (£134,700)—market value £329,844 (£245,230). Net current assets £21,390 (£13,827). Meeting, Manchester, June 8, noon.

BEESTON FOUNDRY HOLDINGS—Results for 13 months to May 3, 1975 and prospects for year to May 3, 1976, reported April 8. Fixed assets £1.42m. (£1.38m.). Net current liabilities, £7,000 (£31,000). Auditors have qualified accounts saying going concern basis assumes continuing support of financial institutions and group's ability to finalise current negotiations for additional facilities to finance capital expenditure planned in 1976. Meeting Nottingham, June 1 at 10 a.m.

BEN WILLIAMS AND CO. (clothing manufacturers) — Turnover £1,481,720 (£1,376,224) for 1975. Profit £16,977 (£38,382), after interest £26,345 (£30,482). To tax £8,324 (£14,941). Final of 0.5p net (total 0.75p).

BROWN THOMAS AND CO (ladies fashion shops, department store, restaurants and property)—Group turnover year to January 31, 1976 £4.09m. (£3.2m.). Profit £297,883 (£146,807) less tax £154,581 (£77,328). Dividend, already paid, 8 per cent. gross £46,200 (same). Forward £170,583 (£73,582). Meeting, Dublin, June 8, noon.

BUNZL PULP AND PAPER—Results 1975, reported May 12. Fixed assets £32.37m. (£27.78m.), net current assets £25.03m. (£23.63m.)—short-term deposits £4.52m. (£7.74m.), cash and bank balances £6.94m. (£4.53m.), overdrafts £5.6m. (£7.97m.). Imperial Group holds 14.5 per cent. of the Ordinary and American Filtrona Corp. 10.3 per cent. Meeting, Great Eastern Hotel, E.C., June 15, 11.30 a.m.

BURMAH MINES—Results for 1975 already known. Claim against the Government of Burmah £2.29m. (£2.29m.). Investments at market value £281,483 (£90,774) quoted in the U.K. Quoted outside U.K. £899,673 (£231,931). Net current assets £76,930 (£410,196). Meeting, Winchester House, E.C., on June 9 at 12.30 p.m.

R. A. DYSON AND CO. (trailer manufacturers and engineers)—Final dividend 2.104375p making 3.301875p net (2.37125p) year to March 31, 1976. Turnover £1,733,777 (£1,539,694). Profit £75,288 (£77,560) including investment income £1,169 (£1,622). Profit on sale of securities £127 (loss £7,807). To tax £41,863 (£34,898) leaving £33,425 (£34,695). Earnings per share 3.3428p (3.4983p). Board anticipates satisfactory results in half year to September.

W. G. FRITH AND CO. (manufacturers and converters of aluminium foils)—Dividend for year to February 29, 1976 0.5p (1.5p) net. Turnover £814,320 (£842,968). Net loss £13,320 (profit £14,752) after tax credit of £1,626 (charge £27,233). Loss per 20p share 4.41p (earning 3.51p).

HUNTING ASSOCIATED INDUSTRIES—Results, 1975, and observations on prospects reported May 6. Group fixed assets £8.32m. (£4.77m.). Net current assets £5.29m. (£3.35m.). Commitments £2.27m. (£0.72m.). Meeting, 118-127, Park Lane, W., June 24 at 12.30 p.m.

MADSEN RED LAKE GOLD MINES—Earnings for the first quarter ended March 31, 1976 $C28,743 ($C38,742). Income $44,029 (38,715). Working Capital at March 31 2,883,038 ($2,868,814).

MANCHESTER AND LONDON INVESTMENT TRUST—Results for 1975 with net asset values reported March 29. Investments, £215,279 (£139,132). Directors still consider a capital reduction scheme to be in best interests of shareholders and will continue to work to this end. They are cautiously optimistic that present portfolio will continue to gradually increase in value. Meeting, Manchester, June 7, at noon.

PORTSMOUTH WATER COMPANY—Income for the year to March 31, 1976 £4.2m. (£3.25m.). Expenditure £2.89m. (£2.22m.). Balance to net revenue account £1.31m. (£1.02m.). Interest charges £355,282 (£355,346). Contingency fund £240,000 (£220,000). Tax £153,931 (£141,305). Preference dividends £247,211. Ordinary £18,478 (both same). forward £331,757 (£384,335). Meeting, Havant on June 10 at noon.

ROSEHAUGH—Revenue for six months ended December 31, 1975, £5,429 (£5,460), before tax £3,983 (£2,821). Earnings per share 0.33p (0.25p).

ROSEHAUGH TEA (HOLDINGS)—Board states that excluding results from Sri Lanka, it is anticipated that results for 1975 will show a small profit (loss £626 in 1974).

ST. GEORGE ASSETS—Pre-tax profit 1975 £23,316 (£16,663) inclusive investment income £19,826 (£19,327), surplus on dealing in securities £3,400 (loss £7,191) and dividends receivable from St. George Rubber Estates nil (£4,327). To tax £6,671 (£4,916). earnings per 10p share 0.487p (0.352p). Final 0.3514p making 0.3914p net (0.36p). Results of St. George Rubber Estates, the Sri Lanka subsidiary have been included in group's accounts only to extent of actual dividends declared by that company.

SEVERN VALLEY RAILWAY (HOLDINGS)—Turnover for 1975 £152,743 (£118,191). Gross traffic receipts (including filming) £121,902 (£93,611). Working expenses £66,658 (£45,124). Operating surplus £55,244 (£18,457). Other income £16,714 (£19,312). Administrative and general expenses £46,995 (£53,362). Profit £4,663 (£12,784 loss). Off intangible assets £5,000 (same). Deficit forward £34,498 (£36,069). Fixed assets £250,246 (£229,756). Current assets £40,825 (£60,433) and liabilities £38,129 (£44,355). Meeting, Bridgnorth, Salop, May 22, at 7.30 p.m.

SILHOUETTE (LONDON) (foundation garments, swimwear) — Results, 1975, reported April 28, with prospects. Fixed assets £1.36m. (£1.42m.), net current assets £1.93m. (£1.84m.). Meeting, 84, Baker Street, W., June 11, 3 p.m.

S.P.R. INVESTMENTS—Final 1.25p for year to February 29, 1976, payable July 16.

TARTAN McCAUL (knitwear distributors)—Results for 1975, reported May 12. Fixed assets £30,059 (£22,751). Net current assets £1.01m. (£0.95m.). Accounts show £5,000 ex-gratia payment to former director. Regarding relisting of shares, chairman says group has had discussions with Stock Exchange but in view of current uncertainties application has been deferred. At April 22, Corinthian Holdings held 64.2 per cent. of issued capital. Meeting, The Londoner, Welbeck Street, W., June 16 at 10.30 a.m.

TRONOH MINES—Group turnover 1975 £4.98m. (£8.65m.). Net profit £1,065,000 (£1,393,000), after taxation £1,138,000 (£2,439,000). Attributable £878,000 (£1,333,000). Extraordinary credit £122,000 (£231,000). Dividends, already paid 4.73p (4.82p). Absorb £448,000 (£415,000). Earnings per share (before extraordinary items) 9.3p (14.9p). Depreciation charged £617,000 (£359,000).

WADHAM STRINGER (motor dealers and engineers)—Results for 1975 reported April 22 with chairman's comments on prospects. Group fixed assets £11.77m. (£10.18m.), net current assets £4.64m. (£2.77m.). Meeting, Hayling Island, June 9 at noon.

WATTS BLAKE BEARNE AND CO. (ball and china clay processors)—Results 1975 reported April 12 with prospects. Accounting for inflation pre-tax profit on Sandilands basis £1.15m., compared with conventional basis £1.62m. Group fixed assets £9.37m. (£9.58m.), net current assets £1.44m. (£0.81m.). Meeting, Moretonhampstead, June 4, noon.

WOOD AND SONS (HOLDINGS)—earthenware and packing materials—Results 1975 and observations on prospects reported May 6. Group fixed assets £589,292 (£492,334). Net current assets £452,518 (£573,000). Meeting, Burslem, June 9, noon.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Major profit upturn at BASF

BY GUY HAWTIN

FRANKFURT, May 20.

BASF TO-DAY disclosed a major upturn in profits in the current year. There has been a 48.4 per cent. increase in first quarter pre-tax profits to DM362m. on a 19.7 per cent. rise in turnover to DM5.21bn.

The group's chief executive, Professor Matthias Seefelder, said there were particularly strong gains in the sales of the North American subsidiaries, while earnings growth was also greatest abroad.

On the home front, the upturn noticed in the first quarter of 1975 had continued with domestic sales picking up satisfactorily, but with exports leading the way.

This is attributable to the surge in demand for chemicals as the Western economies move out of the recession, which has brought the group's pre-tax earnings back to a position close to 1974's levels.

However, there is no disguising the fact that BASF, one of the three West German chemical majors, is deeply concerned about the future of its foreign trade and the effects of currency uncertainty on both earnings and demand. Professor Matthias Seefelder, the group's chief executive, emphasised BASF's increasing sensitivity to currency disparities.

He said: "France, Great Britain and Italy accounted for almost one-fourth of BASF's AG's exports in 1975. In the current year, the Deutschemark has been subject to a revaluation against the franc of 7 per cent., the pound of 14 per cent. and the lira of 39 per cent. In the light of our export potential, we view these developments with concern."

Uncertainty on the foreign exchange front is by no means BASF's only worry. Professor Seefelder pointed out that disparities in energy and raw

Professor Matthias Seefelder

materials costs were also a cause for grave concern.

While the U.S. currently imported 45 per cent. of its oil—against West Germany's 95 per

Bayer now produces more abroad than it does in West Germany, while Hoechst

cent. — American consumers could obtain crude from so-called "old wells" at $5.25 per barrel. This compared with a world market price of $11.50 per barrel.

The U.S. chemical industry, he said, enjoyed both a greater reliability of supply and lower prices than its West German counterpart. Similar "distortions" in raw materials supplies also arose from Dutch natural gas production, while British and Norwegian competitors would soon benefit from their own domestic oil output.

BASF remained confident in the future despite these drawbacks, said Prof. Seefelder. However, it should be pointed out that BASF's forward planning appears to be considerably out of step with its competitors. Bayer and Hoechst, both of which appear to be concentrating heavily on the development of their overseas operations.

categoricaly stated earlier this month that the expansion of its production capacity would take place overseas—its investments in the Central Republic would be devoted largely to rationalisation measures.

In contrast, Prof. Seefelder disclosed that the BASF group's planned capital investment in 1976 had been set at DM1.55bn., up from the previous year's DM1.4bn. Furthermore, some 71 per cent. of total investment spending will be in West Germany itself. Some 13 per cent. is allocated for Europe as a whole, while 16 per cent. will go outside Europe primarily to the United States, followed by Latin America.

A breakdown of the planned investment spending shows 50 per cent. allocated for expansion, 15 per cent. for increased efficiency, 15 per cent. for substitution, 15 per cent. for environmental protection and 5 per cent. for other operating improvements.

Admittedly, BASF plans to increase this year's overseas investment substantially against 1975's DM243m.—itself 27 per cent. up on 1974's figure. But the group appears vulnerable, with 49.8 per cent. of its total sales overseas last year—10.4 per cent. less than in 1974—while overseas production accounted for only 21.9 per cent. of group output.

After all, BASF like its competitors, is facing the twin problems of high West German labour costs and fast rising raw materials prices. This, however, should not be allowed to detract from BASF's vastly improved performance in the first quarter of 1976.

Increased utilisation of capacity led to the recovery in earnings. Selling prices, however, had dropped below the level of the previous year, owing to the reduced proceeds from exports in the face of fluctuating currency parities and the continued strength of the Deutschemark.

Prof. Seefelder said that the development of business in the various sectors remained uneven. For instance on the agricultural side, fertilisers, including potash, were about 10 per cent. below target, and growth in crop protection products was expected to decline from an annual 20 per cent. to between 5 and 8 per cent.

Pan Am sees $10m. April loss

Pan American and its subsidiaries in an unaudited statement reported a net loss of $10.6m. in April compared with a profit of $19.5m., or 48 cents a share, a year earlier, reports AP-DJ from New York.

The 1975 results include the effect of a favourable adjustment of $28.3m. Because of the adjustment and the fact that no deferred income-tax provision is available in 1976, the 1976 data is not comparable, Pan Am said.

BMW restores dividend level

BMW, the Munich-based motor manufacturer, yesterday confirmed impressions that its fortunes improved sharply last year when it announced a dividend for 1975 of DM9 per share or 18 per cent. reports Adrian Dicks from Bonn. This takes BMW's dividend back to the level of 1973. It had to drop it to 14 per cent. in 1974 in the face of reduced demand. Complete results for the year have not yet been produced.

HAL passes dividend

HOLLAND AMERICA Line (HAL), the Dutch shipping and tour company, has reported reduced net losses of Fls.3.4m. for 1975 against losses of Fls.15.8m. previously. Once again, there is no dividend.

Turnover was up from Fls.346.4m. to Fls.421.5m. and there was an operating profit of Fls.4.1m. against a loss of Fls.17.7m. last time, writes Michael Van Os.

However, the company is optimistic about current year prospects, with expectations of a "modest profit"

Harvester recovers

FOR THE second quarter ended April 30, 1976, earnings per share of International Harvester increased from $1.94 to $2.04, making $3.07 ($3.92) for the first six months.

Second quarter net income was $58.12m. ($54.47m.) and six months $88.17m. ($109.44m.) while sales were $1,478.5m. ($1,414.3m.) and $2,558.1m. ($2,499.3m.) respectively.

Net income excludes loss from discontinued operations —4 cents (1 cent) in the second quarter and 4 cents (profits 7 cents) in the six months.

American Stores jump

EARNINGS per share of American Stores in the fourth quarter ended April 3, 1976, rose from $1.11 to $2.20 making $6.11 ($3.70) for the full year

Net income was $11.5m. ($5.8m.) in the last quarter and $32.0m. ($19.3m.) for the year, while sales were $892.0m. ($896.1m.) and $3,297.2m. (2,734 7m.) respectively.

Edison profits up

COMMONWEALTH Edison has reported earnings per share up from $2.74 to $3.17 for the year ended April 30, 1976. Net income was $181.03m. ($141.60m.) and revenue $1.782m. ($1,566.5m.).

Kellogg and Tropicana planning to merge

BY JAY PALMER

NEW YORK, May 20.

KELLOGG and Tropicana, two of America's biggest breakfast food companies, are planning to merge. The agreed merger, which values Tropicana at $317m., will be Kellogg's second major acquisition this year and represents its second attempt to buy the large Florida fruit juice maker in 24 months.

The deal will be accomplished through an exchange of Kellogg shares for Tropicana's on a three-for-two basis, compared with the defunct April 1974 proposal for a one-for-one swop.

At Kellogg's current share price of $22¼, the effective offer price of $33⅜ per Tropicana share exceeds that company's 1975-76 share price range by a small margin and offers an exit p/e of 25.

Tropicana's existing high share price and Kellogg's obvious willingness to go one better, both stem from the fruit juice company's very high rate of growth in recent years. Since 1971 the company has increased its sales at an average annual rate of 14 per cent. and boosted earnings, on the same basis, by 26½ per cent.

Kellog is currently the largest ready-to-eat breakfast cereal maker in the world with 1975 annual sales of $1.21bn. In the U.S. it holds 45 per cent. of its market, more than twice the share claimed by its two closest competitors, General Mills and General Foods. Its best-selling products include Corn Flakes, All Bran and Special K.

Relatively speaking, Tropicana is small with 1975 sales of only $163m. However the company, which accounts for well over half all chilled single-strength fruit juices to come from Florida, is thought to hold a dominant share of its market in New York and the entire East Coast of the U.S.

Earlier this year, Tropicana broke away from this traditional market and started for the first time in its history to advertise its products nationwide.

So far analysts reckon its penetration to be slow and highly expensive—a factor which when tied to the sharply rising costs of Florida fruit could explain why the company is eager for the merger.

Certainly Kellogg has cash to spare to finance Tropicana's market push. Earlier this year the company bought "Mrs. Smith's Pie Company" for $55m. worth of shares and, since then, it has made little secret of its desire to expand in the breakfast food sector without simply increasing competition in cereals.

Over the next few years and despite projections that breakfast food demand will continue to grow strongly, Kellogg is forecast to have a volume sale growth rate of no more than 6 per cent. The company's plants are already at full capacity output and new production centrs (in Pennsylvania and England) will not be coming on stream until late 197[illegible] at the earliest.

But despite the apparent eagerness of both companies to consumate the deal, one big hurdle remains. Kellogg, like its principal cereal competitors, is currently the subject of an anti-trust investigation by the federal authorities. It remains uncertain whether the deal will be automatically approved at a time when the pressures are increasing to force the companies to diversify existing holdings.

Toyota may boost capacity

TOKYO, May 20.

THE TOYOTA Motor Company may expand production capacity to 3m. vehicles a year, if business shows clear signs of further improvement in the next year or two, a company spokesman said.

Present annual capacity of 2.6m. to 2.7m. vehicles is sufficient to meet increased demand until 1977 or 1978, he said.

If present good domestic and export business continues, production is likely to reach a record 2.5m. vehicles this year, compared with last year's record 2.34m. and may rise to 2.7m. next year, he said.

Capital spending will rise this year to Y106bn. from Y90bn., largely on emission control equipment production and replacement of machine tools, the spokesman said.

Capital spending is still considerably below 1974's record Y140bn.

However, if it becomes quite clear that business in the next year or two will improve even further the company will have to increase spending substantially in order to raise capacity and will probably build a new factory, he added.

Toyota bought land a few years ago for the construction of the new factory, but the plan was postponed because of the impact of the oil crisis on the Japanese automobile industry, the spokesman added.

Reuter

WORLD'S LEADING PRODUCERS IN 1975

Production of cars, trucks and buses

General Motors—U.S.	4.6m.
Ford—U.S.	2.5m.
Toyota	2.3m.
Nissan	2.1m.
Renault	1.39m.
Volkswagen (incl. Audi)	1.33m.
Peugeot/Citroen	1.24m.
Fiat	1.23m.
Chrysler—U.S.	1.22m.
British Leyland	738,00[illegible]

Note: The figures exclude production by overseas subsidiaries.

Sea Containers defensive move

BY JOHN WYLES, SHIPPING CORRESPONDENT

SEA CONTAINERS Inc., the U.S. container leasing and ship operating company, is to set up a Bermuda-based "twin" as a defensive move against possible action against multi-nationals by the U.S. Congress.

Mr. James Sherwood, the company's president, claims in his annual report that the proposed new corporate structure offers the best prospects of growth in overseas markets "with minimal interference by the whims of the U.S. Government."

Under the plan, Sea Containers' wholly owned subsidiary, Sea Containers Atlantic of Bermuda has been recapitalised to have matching shares with the parent company. A dividend will be paid on June 18 of one share in Atlantic for each share in Sea Containers Inc.

Subject to shareholders' approval, the shares of both companies will be "paired," and application is being made to list Atlantic's shares on the New York and Pacific stock exchanges so that the shares can be traded in combination.

Mr. Sherwood says in his report that Atlantic's dividends will be payable out of its earnings, "which should not be subject to U.S. taxation, meaning that twice such earnings should be available for dividends than would be the case than if Atlantic continued to be owned by Sea Containers Inc."

Mr. Sherwood says that this reorganisation has been prompted by "events of the past year in Congress" that place the company's competitiveness and profits in jeopardy.

Claiming that the whole concept of multinationals is now under attack in the U.S., Mr. Sherwood said: "We are genuinely concerned that the outcome of the current revelations of questionable payments abroad by U.S. companies will be regulation by Congress of companies which operate the way we do, and this could again make us uncompetitive with foreigners.

"Additionally, we are finding an increasing preference on the part of customers in those countries which have been adversely affected by U.S. foreign policy to do business with non-U.S. firms and we feel that Atlantic, as an independent Bermuda company, can operate more satisfactorily in such nations than can Sea Containers Inc., as a U.S. company."

Sea Containers' report reveals that net income rose 60 per cent. in 1975 to $11m. (£6.1m.) but excluding foreign exchange gains and losses, net income rose from $8.2m. to $8.4m. The company's container and chassis fleet, the most profitable sector of business, increased by 8 per cent. to 62,446 units, although investment in new units was 37 per cent. less than expected.

Xerox chairman says sales outlook excellent

By Jay Palmer

NEW YORK, May 20.

XEROX to-day forecast a return to its historic 15 per cent. annual rate of growth in earnings no later than 1977. However, speaking at the annual general meeting, Mr. Peter McColough, chairman, noted that existing currency uncertainties prevented him from predicting any earnings growth this year.

Mr. McColough told shareholders that the company's new model 9200 model was selling at a rate far in excess of original targets and it also has the lowest cancellation rate of any of the company's recent introductions. He also said that 1976 sales estimates for the model 800 copier were 10 times that of last year.

Confirming that the company's spending on research and development is expected to rise sharply this year, he stressed that the general outlook for the year remained clouded by recent price changes that could have an impact on demand.

Thomson forecast optimistic

BY ROBERT MAUTHNER, PARIS CORRESPONDENT

THE BURGEONING French electrical group Thomson, which is about to purchase a majority stake in both ITT's and Ericsson's French subsidiaries as part of a major telephone equipment deal negotiated by the French Government, to-day announced a slight drop in consolidated net profits for 1975 to Frs.198m. (about £23m.) from Frs.212m. the previous year.

Though profits fell, post-tax consolidated turnover was up by 13.5 per cent. from Frs.11bn. in 1974 to Frs.12.5bn. last year, while foreign sales, which represent as much as 39 per cent. of turnover, rose substantially from Frs.3.8bn. in 1974 to Frs.4.9bn. in 1975.

Net cash flow rose slightly from Frs.533m. in 1974 to Frs.556m. last year, while total industrial investments dropped marginally from Frs.684m. in 1974 to Frs.617m. in 1975. Capital depreciation last year amounted to Frs.410m. as against Frs.380m. in 1974.

Given the recession last year, the results were considered to be very satisfactory by M. Paul Richard, the group chairman, who pointed out at a Press conference that they were substantially the same as in 1974.

M. Richard was frankly optimistic about prospects for the current year, forecasting that overall sales would probably rise by at least 15 per cent. and group profits by something like 20 per cent. Foreign sales were likely to continue their upward path and reach more than 40 per cent. of total turnover. Investments too, would be slightly up at around Frs650m

If the group as a whole managed to hold its own in a difficult year, the results of its parent company, Thomson-Brandt, were equally encouraging. Though net consolidated sales were slightly down to Frs.2.78bn. from nearly Frs.3bn. in 1974, post-tax profits rose to Frs.131m. from Frs.105m. the previous year.

Christopher Dunn writes: Le Material Telephonique (LMT), the French subsidiary of ITT, has revealed net profits of Frs.52.3m. (£6.1m.) for 1975. This compares with a 1974 outcome of Frs.43.8m., struck after exceptional items of Frs.8.3m.

LMT recently figures as one of the two beneficiaries in the massive French telephone re-equipment contracts. During the next five years some Frs.104bn. (£12bn.) will be spent on modernising the system, but the terms of the deal involve Thomson-Brandt, the French electrical group, buying out ITT's 68 per cent. stake in LMT

Terms have been agreed at $160m. (about £90m.). Since T-B has promised to make a similar offer to minority shareholders, this values the whole concern at roughly £130m.

The chaiman's remarks at yesterday's Press conference in Paris tend to support this interpretation. Investments in the current year should total Frs.45m., slightly higher than 1975 capital expenditure (Frs 43.1m.), but still well down on Frs.65.5m. disbursed in 1974.

MARUBENI

After the 'Lockheed scandal'

BY MARGARET HUGHES IN TOKYO

TO AMERICANS preoccupied by Presidential elections, the Lockheed bribery affair may no longer be the major topic it was a few months ago. But, in Japan, it is still very much a live issue, with the future of the Government—and certainly of Prime Minister Miki—at stake.

But while the "Lockheed scandal" (as the Japanese insist on calling it) may be dominating political life, business seems to be returning to normal for Marubeni—the former Lockheed agent in Japan.

Indeed several of its trading house rivals are said to be vying for the agency now that Marubeni has cancelled its agreement with Lockheed.

Since the first bribery allegations were made, Marubeni has suffered considerable upheaval. It has firmly denied any involvement and has been investigating the possibility of bringing a libel suit against Mr. A. Carl Kotchian, the former Lockheed vice-chairman who alleged Marubeni's involvement.

Even so, despite the concern's protestations of innocence, two Marubeni executive directors resigned in February, after admitting that they had signed strangely worded receipts—the most quoted of which was for "peanuts"—at the request of a Lockheed representative.

Soon afterwards the Marubeni chairman also resigned—accepting, it was said, moral responsibility for not having exercised sufficient supervision.

Since then the group's management has been restructured under the president Mr. Taiichiro Matsuo with three executive vice-presidents and four managing directors now sharing corporate responsibilities. Having been seen to have put its house in order Marubeni is clearly anxious to forget about the "Lockheed scandal" and get on with its normal trading activities.

Although its prestige has been damaged, in strict commercial terms Marubeni has been relatively unscathed. Mr. Matsuo told the Financial Times that Lockheed has only had "a very slight effect" on Marubeni's business. At international level its activities had been "unaffected" he said and even domestically — where it has suffered strong reactions—these had been more emotional than commercial, he claimed.

To some extent it has been Marubeni workers who have suffered the most—they were sneered at by other workers while their children had to suffer their class-mates' jeers. Working for Marubeni, it seemed, was no longer an occupation to be proud of. But this has now been largely forgotten, as have the protestors who stormed the Marubeni headquarters when the news first broke.

But Mr. Matsuo also admitted that this emotional reaction had in fact spilt over into its municipal contract business. Several local governments which are run by leftist officials, including Tokyo, Yokohama and Kawasaki, have been boycotting Marubeni when placing public works contracts. Taken together, the potential business lost is put at around $130m. but this, Mr. Matsuo pointed out is "less than 1 per cent. of our company's turnover."

Rather more significant is Marubeni's management contract for the monorail system which is to be established at Sapporp, the capital of Hokkaido, the northern island of Japan.

There have been rumours that this contract would be cancelled. But Mr. Matsuo said that this was unlikely since it will have completed its work on this contract by June. He added, however, that it was quite possible that Marubeni might be excluded from any further work on the monorail project. But even this, he indicated, would not worry him unduly. He believes, in any case, that reactions of this kind will soon die down.

Mr. Matsuo clearly does not expect Marubeni's commercial activities to be affected by the "Lockheed scandal." It is, however, far too soon to say whether his optimism is justified. The impact has so far been largely psychological—its effects could therefore be more damaging in the long term.

Of much more immediate relevance to the company's performance is the future pace of Japan's economic recovery. The trading companies (Sogo Shosha) have been hit badly during the recession, more because of problems of the manufacturing affiliates which they finance through trading activities as such. The ten leading groups are reported to have been forced to write off over $450m. last year alone, due to the financial difficulties of these affiliates.

During the year to March 1976 Marubeni itself suffered a 7[illegible] per cent. decline in net income which was down to $23.46m. from $88.00m. in the previous year on a 20.3 per cent. sales rise.

Since then, it has switched the emphasis of its operations towards overseas activities, so that the one time 60:40 ratio in favour of domestic operations has been reversed—60 per cent. of its business is now outside Japan. This, Mr. Matsuo, said has given Marubeni greater flexibility, allowing it to switch from one market to another, according to the economic climate.

Consolidated results for last financial year have yet to be announced and the group does not report half year figures on a consolidated basis. Parent company results for the first half to September 1975 showed net profits of $13.90m., down [illegible] per cent. on the year ago figure, on sales of $9.15bn., against sales of $9.19bn. a year previously. But given the numerous affiliated and subsidiary companies within the group, this does not give a true indication of Marubeni's results.

While Mr. Matsuo claimed that most Japanese companies had experienced even more difficult trading conditions in the second half of the year than the first, he forecast that Marubeni's consolidated figures would show that it had fared somewhat better in the second half.

Looking to the current year he would make no forecasts—a few more months were needed, he said, to assess the situation. Overseas operations are showing an upturn. The main problems remain on the domestic front and on the manufacturing side in particular—all largely dependent on the pace of Japanese economic recovery.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	103½	104½
Ashland 8pc 1987	94	95
Australia 8pc 1987	93	94
BFCE 8½pc 1985	98½	99½
CNE 9½pc 1985	100	101
Conoco 9pc 1986	99	100
ECS 9½pc 1986	99½	100½
EIB 9½pc 1985	101½	102½
Erap 9½pc 1985	101½	102½
Esso 8pc 1986 Nov.	100	101
Eurofima 9½pc 1983	98½	99½
Granges 9½pc 1985	101	102
Massey 9½pc 1982	103½	103½
Michelin 9½pc 1986	99½	100½
Modo 9½pc 1983	99½	100½
Newfndlnd. Labrdr. 9½pc '86	102½	103½
New Zealand 9½pc 1982	102	103
Norpipe 9½pc 1986	99½	100½
Norsk Hydro 9½pc 1986	100½	101½
Oslo 9pc 1986	99½	100½
Pacific Light 8pc 1988	94	95
Prov. Quebec 9pc 1986	100	101
Scanraff 8½pc 1988	99½	100½
SPE 9pc 1983	99½	100½
Shell 8pc 1986	99	100
Stand. Oil (Ind.) 8½pc 1985	102½	103½
Svenska Handels 9½pc 1986	99	100
Volvo 9½pc 1985	[illegible]	102½
NOTES		
Barclays 9½pc 1982	101	102
British Gas 9pc 1981	100	101
Charbonnages France 9½pc '81	98	99
Denmark Mort. Bk. 9pc '83	99½	100½
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¾pc '87	81½	83½
Ashland 5pc 1988	85	87
Beatrice Foods 4½pc 1992	95	97
Beatrice Foods 4½pc 1992	105½	107½
Borden 5pc 1992	97½	99½
Broadway Hale 4½pc 1987	77½	79½
Canon Camera 7½pc 1990	135	140
Carnation 4pc 1987	80	82
Chevron 5pc 1988	113½	115½
Dart 4¾pc 1987	80	82
Eastman Kodak 4½pc 1988	112½	114½
Economic Labs. 4½pc 1987	80	[illegible]
Fed. Dept. Stores 4½pc '85	113	115
Firestone 5pc 1988	89½	91½
Ford 6pc 1986	98	100
Ford 5pc 1988	87	89
General Electric 4¼pc 1987	85½	87½
Gillette 4¾pc 1987	77½	79½
Gould 5pc 1987	92	93½
Gulf and Western 5pc 1988	95	97
Harris 5pc 1992	81½	83½
Honeywell 6pc 1986	93	95
ITT 4½pc 1987	77	79
Komatsu 7½pc 1990	105½	107
J. Ray McDermott 4¾pc '87	140½	142½
Mitsubishi Elec. 7½pc 1991	105	106
Mitsui 7½pc 1990	101	102½
J. P. Morgan 4½pc 1987	113	115
Nabisco 5½pc 1988	92	94
Owens Illinois 4½pc 1987	116½	118½
J. C. Penney 4½pc 1987	80	82
Pioneer 6½pc 1989	255	260
Revlon 4½pc 1987	97	99
Reynolds Metals 5pc 1988	86	88
Squibb 4½pc 1987	[illegible]	[illegible]
Texaco 4½pc 1988	[illegible]	[illegible]
Toshiba [illegible]	[illegible]	[illegible]
Union Carbide 4½pc 1982	[illegible]	[illegible]
Warner Lambert 4½pc 1987	[illegible]	[illegible]
Warner Lambert 4½pc 1988	[illegible]	[illegible]
Xerox 5pc 1988	[illegible]	[illegible]

Source: Kidder Peabody Securities.

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, May 19. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Bank of America
Eurodollar Libor as of May 20 at 11.00 a.m.
3 months: 6 7/16 6 months: 6 11/16

SDR1=$US1.14684

Country	Currency	Value of DLR	Country	Currency	Value of DLR	Country	Currency	Value of DLR
Afars & Issas	Djibouti Franc	165.5363	Grenada	E. Caribbean $	2.6574	Paraguay	Guarani (m)	126.0
Afghanistan	Afghani (o)	45.30	Guadaloupe	Local Franc	4.7238	P'ple D. Rp. of Yemen	S. Yemen Dinar	0.2454
Albania	Lek (m)	5.50	Guam	U.S. $	1.00	Peru	Sol	43.0
Algeria	Dinar (a)	4.1362	Guatemala	Quetzal	1.00	Philippines	Ph. Peso	7.4030
Andorra	Fr Franc	4.7238	Guinea Rep.	Sily	21.05	Pitcairn Is.	NZ $	1.0041
	Sp. Peseta	67.71	Guinea Bissau	Peso	30.25	Poland	Zloty (m) (o)	3.32
Angola	Ang. Escudo	30.25	Guyana	Guyanese $	2.5537	Portugal	Port. Escudo	30.25
Antigua	E. Caribbean $	2.6574	Haiti	Gourde	5.00	Port Timor	Timor Escudo	30.25
Argentina	Ar. Peso (o)	140.17	Honduras Rep	Lempira	2.00	Principe Isle	Port. Escudo	30.25
Australia	Australian $	0.8101	Hong Kong	H.K. $	4.9035	Puerto Rico	U.S. $	[illegible]
Austria	Schilling	15.45						

For further information please contact your local branch of the Bank of America.

NORTH SEA OIL REVIEW

BY RAY DAFTER

Storage at Sullom Voe

IT SEEMS that the oil companies and the Shetland Islands Council may, at last, be finding a route towards a compromise agreement in the long-running argument over crude storage facilities.

The first tentative steps may be taken to-day at a meeting of the Sullom Voe Association, which comprises representatives of Shell, as operator for the Brent pipeline system, British Petroleum, the Ninian pipeline operator, and the Shetland Islands Council itself. If all goes well—and it is in the nation's interest that it should—the issue could be advanced at the next association meeting on June 10.

The importance of these fresh talks cannot be underestimated. The Sullom Voe oil terminal in the Shetlands is destined to become the biggest in Europe, handling over half the oil needed to make Britain self-sufficient.

Crude from Shell/Esso's Brent Field, Chevron/BP's Ninian Field, Burmah's Thistle Field, and several other neighbouring reservoirs is due to be pumped ashore along the two pipelines. At the end of the day the terminal could well have cost the oil industry between £450m. and £500m.

Underground

And yet, for almost two years, the council and the oil companies have been arguing over how to store the crude. It is envisaged that the flow from fields which have already been declared commercial could exceed 1.2m. barrels a day by the early 1980s.

The council has argued in favour of underground storage although it has agreed to the siting of four surface tanks to cope with the initial flow from the fields. Underground caverns would cause less environmental disruption it contends, pointing out that the companies agreed in 1974 to use these facilities provided the method was technically and financially possible.

The companies, for their part, have argued that geologically Sullom Voe is not suitable for cavern storage and that the cost involved would be £26m. to £30m. more than for ground level storage; an increase of some 90 per cent. They add that they are supported in their view by a £1m. independent survey although the results are interpreted in a different way by the council.

Until extremely recently the two sides—if they can be regarded as such—appeared to have reached deadlock. The search for a compromise solution could not have been helped by the number of interested parties involved—around two *dozen* oil companies have a stake in the terminal. Nevertheless, the dispute has threatened seriously to delay the whole ambitious project. The rate at which the northern North Sea fields could produce might be affected; contingency arrangements might have to be made; and, almost certainly, development costs will continue to escalate.

Mr. Ian Clark of Shetland Islands Council: "very encouraged."

Little wonder, then, that both the council and the oil companies are sensitive about these latest talks. In some ways, they could be regarded as a last-ditch effort to find a solution, for if these negotiations fail some of the operators might well look for alternative methods of *getting their oil ashore.*

BP is remaining resolutely tight-lipped about what is likely to emerge to-day. As reported in this column earlier this month, Mr. Bill Bell, chief executive of Shell U.K. Exploration and Production, feels that the two sides should start coming together within the next couple of months. Again, no details have been given.

Mr. Ian Clark, the council's forceful chief executive, commented only that he was "very encouraged" by statements made by various companies. The industry, he added, could be assured of the council's "normal constructive approach to any representation from the companies."

I understand that the idea which is likely to be put to-day would involve all the storage *facilities* being built on land, as the companies wish. On the other hand, the treatment facilities for oil in the Brent and Ninian systems would be combined on one site, instead of being separated as proposed.

If this attempted compromise *works, the oil companies will* lose the flexibility of two separate treatment plants but will achieve their ambition of having surface storage. The council would have to accept the visual intrusion of surface tanks but would gain an amenity bonus in losing one treatment complex—arguably more unsightly than landscaped tanks. It might also be argued that spoil from the *council's proposed caverns* would have been a considerable eyesore.

It is, perhaps, indicative of the hopeful atmosphere surrounding these talks that Union Oil of California has confirmed that it is reconsidering its plans for transporting oil from its Heather Field. The group expected to use the Ninian pipeline but had second thoughts when the dispute between the council and the oil industry became apparent. Consequently, it spent over £2m. on adapting its platform, being constructed in Ardersier, Scotland, so that it could either pump oil into the pipeline or into an offshore tanker loading system.

The group expects to decide on the method of exploiting the field within the next two months although reports in the industry suggest that it is favouring re-joining the pipeline system. Union Oil is already discussing possible arrangements with BP.

But it has not been the only oil company examining ways of overcoming the Shetlands impasse. A number of other groups have been considering installing single buoy mooring (SBM) systems at their fields. Whether this is a long-term plan, or merely a contingency arrangement to overcome possible delays to the terminal, is unclear.

If there is any implied warning that Sullom Voe could be by-passed by some of the oil companies, then it is likely to cut little ice with Mr. Clark and the Shetlands Council. Under existing agreements covering disturbance allowances and a 2 per cent. "turn" on the capital involved in the ports and harbours venture, the 17,000 islanders are already assured of receiving £30m., even if no oil flows. This is only a fraction of the money that will be achieved once the terminal becomes operable, however.

As things stand Sullom Voe is due to come into operation in mid-1978, handling oil from Brent, Ninian, Thistle, Cormorant and Dunlin. In the light of the new negotiations it will be interesting to see whether oil companies with new finds to the north-east of Shetlands will choose the same route for distribution.

Shell/Esso will undoubtedly *use the Brent line once it brings* on stream the extension of the Cormorant Field. It is widely expected that the group will decide to go ahead with the project and order a platform in the first half of next year.

Link-up

The Continental Oil Group should be taking a development decision on its Murchison Field within the next 12 months and, here again, there is a possibility of a link-up with the Brent system.

Development plans for BP's Magnus Field on block 211/12 are more problematical. The structure lies to the north of all the U.K. fields in a water depth of 600 ft. and as such will demand newly developed methods of exploitation. Sub-sea production units linked to a tethered-leg platform is one system which might be used.

On the face of it, the latest well drilled on Magnus appears to have strengthened industry *feeling that the structure is* commercial. However, as an oil producer, the well was not particularly important. Its relevance lies in the fact that it was being used to help engineers determine the geological structure and define a suitable location for a platform.

Initially, oil from Magnus is likely to be loaded offshore into tankers. It seems unlikely that BP will build a spur line linking the field with the Brent system and even more unlikely that it will take a spur further south to join with the Ninian feeder line.

However, it is possible that another pipeline could be built from that prospecting area, provided other commercial finds materialise. This raises the intriguing question: Would BP choose again to build a pipeline to the Shetlands? Like the Orkneys to the south, the Shetlands have plans for more oil involvement: the islands have made outline provision for up *to four pipelines.*

APPOINTMENTS

T. J. Gilligan heads Pitney Bowes U.K.

Mr. T. J. Gilligan has been appointed chairman and chief executive of PITNEY BOWES of the U.K. He was previously managing director. Mr. F. T. Allen, chairman of Pitney Bowes Inc., has stepped down as chairman of the U.K. company, but remains a director. Mr. R. E. Williams, who was an assistant managing director has become managing director. Mr. F. C. Bambridge has been made deputy managing director. He was previously an assistant managing director. *Mr. S. T. Roberts*, formerly vice-chairman, has retired after 42 years on the Board.

*

Mr. C. J. Montgomery, director *and chief general manager*, Lloyds Bank, has been elected president of the INSTITUTE OF BANKERS. Mr. M. G. Wilcox, director and chief general *manager, Midland Bank* has been elected deputy chairman for 1976-77.

*

Mr. H. C. Pilkington has retired *from the Boards of VANTONA* and its subsidiary company, Modeluxe Linen Services.

*

Mr. Bruno Mason has been appointed president of GILTSPUR EXPO INDUSTRIES INC., the North American exhibition building and servicing and display systems division within the *Giltspur group.* He has also been appointed a director of Giltspur Expo Industries Ltd., the U.K. divisional parent company.

*

Mr. J. D. Keast has resigned from the Board of LESBROOK because of other commitments.

*

Mr. Hugh Holker, advertisement director of Mirror Group Newspapers, has been elected world president of the INTERNATIONAL ADVERTISING ASSOCIATION at a meeting of its world *council in Buenos Aires. This is* the first time a Briten has held that office since the Association was founded in 1938.

*

Mr. P. E. G. Bates has been elected president of the ELECTRONIC ENGINEERING ASSOCIATION and chairman of council for 1976-77. He succeeds Commander D. W. Malim.

*

Mr. R. G. Mason has been appointed managing director of BUSH BOAKE ALLEN, a subsidiary of Albright & Wilson. He succeeds Dr. D. A. A. Fagandini who has been assigned special duties connected with company development reporting directly to the managing director.

*

Mr. L. C. Derbyshire has been elected president of the LANCASHIRE AND CHESHIRE CLOTHING MANUFACTURERS ASSOCIATION. Mr. J. K. Webb has become vice president.

*

Mr. Alan Richards has been appointed managing director of TIBBETT & BRITTEN. He succeeds Mr. Bob Beckham, who has become managing director of associate company SPD Distribution. Mr. Richards was previously with National Carriers.

*

Mr. John H. Craigie, vice-chairman and group managing director of ROCKWARE GROUP, is to become chairman on September 1. He will succeed Mr. Peter Parker, who is to take over the chairmanship of the British Railways Board on September 12. Mr. Parker will remain a non-executive director of Rockware for a further year.

Sir Gerald Thorley, a director of Rockware since 1967, will be vice-chairman from September 1.

*

Mr. D. F. Hutton has been appointed managing director of ROBERT MORTON DG, a subsidiary of LINDUSTRIES. Mr. D. J. Storer joins the Board of Robert Morton DG as sales and marketing director.

Finance director for EMI Medical

Mr. Alexander Orr has been appointed finance director of EMI MEDICAL, the newly-formed EMI company producing EMI-Scanner computerised X-ray systems. Additionally, Mr. Orr has overall responsibilities for the financial affairs of the other companies which form part of EMI's Medical Electronics Operations, SE Labs (EMI) and Pantak (EMI).

*

Mr. John L. Wybrew has been appointed managing director of WINDSOR LIFE ASSURANCE COMPANY. He was previously general manager having succeeded the late Mr. Hugh M. Gaywood. Mr. Wybrew is also a director of World-Wide Assurance, a subsidiary.

*

Mr. G. F. Armitage is now chairman of the BRICK *DEVELOPMENT ASSOCIATION* having succeeded Lord Hill. Mr. D. B. Jones is deputy chairman.

APPOINTMENTS

Publisher

• PENGUINS are seeking an experienced publisher to join the main board.

• THE role is to formulate and direct the publishing policy of Penguin Books in the UK and to harmonise the paperback publishing of associated and subsidiary companies overseas.

• TERMS are for discussion; the salary will be around £15,000.

• TO ensure that the identity of those who may express an interest in this appointment is not disclosed without their prior permission, Tyzack & Partners have been retained as advisers to the Board.

Write in complete confidence, therefore, to K. R. C. Slater.

TYZACK & PARTNERS LTD
10 HALLAM STREET · LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE · EDINBURGH EH2 4DN

Business Management

• A PUBLIC GROUP in the North-West with a turnover around £30m and a strong balance sheet is to appoint a senior executive to succeed a man who is taking charge of a major sector of the business overseas.

• RESPONSIBILITY is to the Managing Director. The job is broadly based comprising involvement at top level in the profitable development of subsidiary companies and in the group's plans for further diversification. Success in this role could lead to Board appointments.

• UNDERSTANDING stemming from experience in managing for profit, possibly in publishing, printing, papermaking or packaging, is essential. A graduate or professionally qualified person is strongly preferred. Consultancy experience could well be relevant.

• AGE over 30. Salary in the region of £10,000 with a car.

Write in complete confidence to G. W. Elms as adviser to the group.

TYZACK & PARTNERS LTD
10 HALLAM STREET · LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE · EDINBURGH EH2 4DN

Managing Director
Consumer Electronics

A background of engineering design, followed by experience as a Production Engineer and then successful line management in a manufacturing environment, involving profit responsibility, are the ideal attributes of applicants for this post in one of Britain's leading companies.

The tasks are:

- to take the company from its already substantial base and increase its growth and profitability by the planned design and development of new products in order to maintain its lead over worldwide competition;
- to build and sustain flexibility in production of high standard products to meet the pressure demand from an international, dynamic sales force and
- as a professional businessman, constantly to seek ways of increasing profitability.

Experience of management in consumer products of a technical nature would obviously be relevant. Age under 50. Normal senior fringe benefits. Salary £15,000—£20,000 bracket.

Please write in confidence, quoting reference 1535/TR/FT to: Robert Arkle at

Robert Lee International

24 BERKELEY SQUARE, LONDON W1X 6AR.

Chief Accountant

• THIS is a new career appointment in an expanding London based group involved in specialist light engineering, wholesaling and publishing, with world-wide trading interests.

• TO enable the Finance Director to spend more time on international problems, a Chief Accountant is now needed to deputise for him when abroad, to control the central accounting function and to interpret the business implications of group financial information.

• THE requirement is for a Chartered Accountant with a commercial and industrial background in developing information and control systems.

• AGE—around 40. Salary—negotiable in the £7,500 region.

Write in complete confidence to Dr. R. F. Tuckett as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET · LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE · EDINBURGH EH2 4DN

LEGAL CONSULTANT
TO INTERNATIONAL INVESTMENT GROUP

seeks English lawyer to work in Paris. The successful applicant would (a) be finance-tax and trust-orientated, (b) be sufficiently experienced to work without supervision, (c) have negotiating ability and (d) come into partnership and/or association with lawyers from other jurisdictions. The immediate rewards are for discussion but would not be less than $22,000 annually. Please send curriculum vitae including details of experience to *Box A.5573, Financial Times, 10 Cannon Street, EC4P 4BY.*

An International Brokerage firm is looking for a

MARKETING SPECIALIST

with 5-10 years experience in marketing offshore oilfield equipment (e.g. supply vessels, etc.). A technical background would be an advantage. Salary and benefits negotiable, but it is not envisaged that anyone currently earning less than £6,500 would suit this position. Incentive schemes and company participation will be included.

Write Box A.5566 Financial Times 10 Cannon Street, EC4P 4BY

Marine Cargo Broker

Opportunity exists with large established firm of Lloyd's Brokers for an experienced Marine Cargo Broker, 27-32 years of age.
The successful applicant (male or female) will be required to work on all facets of Cargo business on a world wide basis. Good salary, bonuses and L.V.'s.
Write or 'phone
Personnel Manager,
Leslie & Godwin Ltd.,
Dunster House, Mark Lane, London EC3P 3AD
Telephone: (01) 623-4631

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COMMERCIAL BANK

being established in the Gulf
requires
DEPARTMENTAL MANAGERS AND ACCOUNTANTS
also
Graduates in Economics or Business Administration with knowledge of Arabic. Good prospects. Write Box A.5568, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMODITY Executives wanted Charterhouse Appointments 01-836 2377.

COMPANY NOTICES

GRESHAM INDUSTRIES LIMITED

NOTICE TO SHAREHOLDERS

DECLARATION OF INTERIM ORDINARY DIVIDEND No 34

NOTICE IS HEREBY GIVEN that an Interim Dividend of 7½ (seven and one-half) cents per share for the year ending 30th June, 1976, has been declared by the Board of Directors payable on the 23rd July, 1976, to Ordinary Shareholders registered in the books of the Company at the close of business on the 25th June, 1976.

The dividend is declared in South African currency and dividends payable from the London Office will be paid in United Kingdom currency calculated at the rate of exchange ruling between Rand and Sterling on the 16th July, 1976.

Dividend cheques despatched from the London Office to persons resident in Great Britain or Northern Ireland will be subject to a deduction of United Kingdom Income Tax at rates to be arrived at after allowing for relief (if any) in respect of South African Taxes.

The Company will, where applicable, deduct the Non-Resident Shareholders' Tax of 15% from dividends payable.

For the purpose of paying the above dividend the Ordinary Share Register will be closed from the 26th June to the 9th July, 1976, both days inclusive.

Dividend cheques will be posted on or after the 23rd July, 1976.

By Order of the Board
I. B. MEHL, Secretary.

Registered and Transfer Office:
220, Commissioner Street,
Johannesburg.
London Transfer Office:
185, Kings Road,
Brentwood, Essex.

GRESHAM INDUSTRIES LIMITED

NOTICE TO SHAREHOLDERS

DECLARATION OF PREFERENCE DIVIDEND No. 49

NOTICE IS HEREBY GIVEN that a Dividend at the rate of 6% per annum on the 6% Cumulative Preference Shares in respect of the six months ending 30th June 1976 (equivalent to six cents per share) has been declared by the Board of Directors payable on the 30th June, 1976, to Preference Shareholders registered in the books of the Company at the close of business on Friday, 4th June, 1976.

The dividend is declared in South African currency and dividends payable from the London Office will be paid in United Kingdom currency calculated at the rate of exchange ruling between Rand and Sterling on the 23rd June, 1976.

Dividend cheques despatched from the London Office to persons resident in Great Britain or Northern Ireland will be subject to a deduction of United Kingdom Income Tax at rates to be arrived at after allowing for relief (if any) in respect of South African Taxes.

The Company will, where applicable, deduct the Non-Resident Shareholders' Tax of 15% from dividends payable.

For the purpose of paying the above dividend, the Preference Share Register will be closed from the 5th June to the 18th June, 1976, both days inclusive.

Dividend cheques in payment will be posted on or after the 30th June, 1976.

By Order of the Board.
I. B. MEHL, Secretary.

Registered and Transfer Office:
220, Commissioner Street,
Johannesburg.
London Transfer Office:
185, Kings Road,
Brentwood, Essex.

CONTRACTS AND TENDERS

A. G. McKEE & CO.
on behalf of
YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS

INTERNATIONAL PUBLIC LICITATION NO. 22

PURPOSE: Supply of approximately 50-ton coated welding electrodes AWS 'ASME classification SFA 5.1, E-6010 and E-7015 or 7018, diameters: 3 32, 1 8, 5 32, 3 16, for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On July 6, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $30.00 or its equivalent.

INTERNATIONAL PUBLIC LICITATION NO. 23

PURPOSE: Supply of hydrogen and nitrogen containers and hydrogen storage facilities, including design, fabrication, testing and material supply (gases will be supplied by others)—for a refinery at Cochabamba, Republic of Bolivia.

OPENING BIDS: On August 4, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $30.00 or its equivalent.

BID BOND: 0.5% of the amount of the bid.

INQUIRIES AND DOCUMENTATION: Inquiries may be made and specifications and bidding conditions may be secured at the offices of A. G. McKEE & CO. ARGENTINA, S. A., Hipolito Yrigoyen 440, 8th floor, Buenos Aires, Argentina.

VALIDITY OF OFFERING: Ninety days following bid opening date.

FINANCING: By the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 225/OC-BO with the Government of the Republic of Bolivia.

Democratic and Popular Republic of Algeria

MINISTRY FOR INDUSTRY AND ENERGY

SOCIETE NATIONALE DES SEMOULERIES, MEUNERIES FABRIQUES DE PATES ALIMENTAIRES ET COUSCOUS

S.N. S.E.M.P.A.C.
6 boulevard Zirout Youcef—Algiers

INTERNATIONAL INVITATION TO TENDER

CONSTRUCTION OF GRAIN SILOS

A tender has been launched by S.N. SEMPAC for the setting up of a network of Grain Silos having an overall capacity of thirty million (30,000,000) quintals, divided over 41 sites. The storage capacity of each silo would vary between 50,000 and 140,000 tonnes.

The tender comprises the following lots:

- Lot No. 1: Civil engineering, all basic elements.
- Lot No. 2: Mechanical equipment and installation.
- Lot No. 3: Electrical equipment and installation.

Companies interested in the above may obtain the necessary documents from: S.N. SEMPAC, Direction de Développement, 6 boulevard Zirout Youcef, Algiers (Algeria), for the sum of Dinars 2,000.

Tenders, together with usual relevant information and references, should be sent in double sealed envelopes marked: Tender—Grain Silos—Not to be opened (Appel d'offres—Silos de Stockage—Soumission à ne pas ouvrir).

Tenders should be sent by Monday, September 6, 1976 at the latest.

PUBLIC NOTICES

READING BOROUGH COUNCIL

£1,000,000 Bills maturing on 18th August 1976 were offered and issued on 19th May 1976 at an average rate of 9$^{13}/_{64}$% p.a.

Total applications for this issue amounted to £14,000,000 and these are the only bills in issue.

Iran
A FINANCIAL TIMES SURVEY

The Financial Times proposes to publish on Monday June 21 a major survey of Iran to mark the celebration of the 50th Anniversary of the Pahlavi dynasty. The survey will discuss the ambitious plans which exist to bring Iranian society and the economy into line with leading industrialised countries, the constraints which exist upon growth, the special achievements and role of the Shah and his father in modernising Iran, and all major aspects of the country's economic, industrial and business infrastructure. The proposed editorial content will include coverage of the following:

- The Economy
- Foreign policy/Defence
- Finance
- Banking
- Stock Market
- Oil
- Gas
- Petrochemicals
- Nuclear Energy
- Trade
- Trade with Britain
- Investment Climate
- Motor Industry
- Steel
- Copper
- Agriculture
- Housing/Construction
- Ports
- Manpower
- Shipping
- Insurance
- Property
- Labour Relations
- Tourism
- Doing Business in Iran
- Life for the Expatriate in Iran

For companies which have existing trade links with Iran, or wish to develop such links, this Financial Times survey is an ideal communications medium. FT surveys deal with their subjects in depth—with authoritative articles and comment, perceptive studies of backgrounds and trends, and comprehensive analyses of all the latest information. They're read, kept, filed and referred to by businessmen, government departments, and libraries in Europe and throughout the world.

An advertisement in the Iran survey enables you to convey your message in this unique medium—so that it will be seen, and acted upon, by the senior businessmen in Britain, Europe and the Middle East who are regular readers of the Financial Times.

For further information contact
Laurette L. Lecomte-Peacock,
at the Financial Times on 01-248 8000,
extension 515.

Iran

An FT survey scheduled for publication on June 21 1976

The content and date of this survey are subject to complete editorial discretion and may be changed without notice.

BOOKS

CURRENT WORKS ON SPORT

Master players

C. P. SNOW

rice Tate by Gerald oadribb. London Magazine litions. £4.50, 215 pages

Gary by Trevor Bailey. illins. £3.95, 190 pages

ere are two most pleasant raphical sketches of two t pleasant men. Apart from g pleasant men, quite out of normal run of successful es players, Maurice Tate and Sobers hadn't much else in mon. Tate had one great cific gift, which seems to have e to him almost by physical ice and which made him the nd best fast medium bowler ricket history.

bers had every gift a cketer could wish for. iman excluded, he could bear parison with any of the t batsmen. He could bowl hree different styles up to Match standard—as a fast dum bowler not so good as or Alan Davidson, but near igh. As a googly bowler t-handed) not as good as e but good enough. As an odox left-hand slow bowler, as impressive as in his other les, but as good as any con-porary in this style except i. No one since cricket ime sophisticated has been versatile. He was also one the most magnificent of ders, anywhere you like.

f the two, Maurice Tate was simpler soul. He was the of a professional cricketer— vith H. G. Wells, whom other- e he didn't in the least re- ible—and he wasn't born any- ere more rustic than Brighton, there was something incorri- ly rustic about him. He was dy in the face, heavily and mily built, with very large ids and feet. He would have ked very natural in Shake- are's Stratford, and made an ellent member of Peter nce's dramatic company. He l a liking for using long words, ch he usually got wrong. In straightforward carthorse- fashion he was ready to go bowling all day for Sussex or gland.

t was a most straightforward bion. He lumbered along for hit paces, slammed down one ormous foot, and bowled- ecisely the same ball over after r. In the air it travelled at orisk fast medium. Off the ch it fizzed as though from a illy fast bowler. No one knew why, least of all himself (he had rather short arms, which may have helped).

He bowled consistently round middle and off stump. The ball moved away in the air. Off the pitch it might continue towards the slips: or it might come back like a sharp offbreak. Again no one knew why, certainly not himself. Since he didn't know, or alter his method of delivery in the flightest, the batsman didn't know either. As God supplied the variations, there was no reason why Maurice Tate should. He just plugged away, happily digging the ball in, hour after hour. That was all the equipment he needed. It made him the most accurate of all fastish bowlers, and, second only to Sidney Barnes, the best. In his early days, 1923 or 1924, it was astonishing to hear the thud as the ball banged into the wicket keeper's gloves. It must have been even more astonishing for the batsman.

He had a happy bucolic life, apart from being treated callously by Sussex at the end of his career. This is a happy book of Mr. Broadribb's, written with the same good nature and good sense as he brought to Gilbert Jessop.

Sir Gary Sobers is a more brilliant character, and Trevor Bailey has written a book which admirably fits his man. As I have said, Tate had one great gift and Sobers many. Sobers wasn't quite as superlative at any single activity as Tate was at seam bowling, but no one doubts that Sobers was the most marvellous natural cricketer who ever walked on to a field. The only possible competitor, for sheer quality of physical nature, was Walter Hammond, but Hammond had nothing like Sobers's sheer joy in doing everything he touched. Everyone loved playing with or against Sobers, the liveliest and most generous of great masters. Very few people liked playing against Walter Hammond, and even fewer with him. Somehow his spirit was a dark one, where Sobers's was radiant.

Sir Gary sounds, from Mr. Bailey's account, a captivating man. He is clearly a born gambler, and word of that has gone round. Although, like Tate, he didn't have anything much in the way of formal education, he is clever enough to know the nature of odds. He has the grace of someone extravagantly endowed with the capacity for delight. He enjoys using his charm. If he can endure learning some boring and prosaic techniques (the kind of techniques a politician or official has to acquire), he could be of great value, not only to Barbados, but to the entire Caribbean world.

Mr. Bailey's book has many virtues, including brisk intelligence and a complete lack of hypocrisy and humbug. There is also a characteristically sharp-witted preface by Richie Benaud. Which makes one remember that Benaud was the best Test Match captain any of us have seen. It was characteristic of Australian cricket administration that he got the job.

There have been only two Englishmen playing Test cricket this century who might have come somewhere near Benaud for command, nerve, brightness, resource, strategic imagination, tactical insight. They were P.G.H. Fender and Trevor Bailey. It was characteristic of English cricket administration that neither of them got the job.

Sobers in action

Cricket days

BY TREVOR BAILEY

As last summer proved to be such an outstanding summer for cricket it is, perhaps, not surprising that 1976 looks like being a full year for books about the game.

Anybody who has had the good fortune to have played with, against, and toured on several occasions with Colin Cowdrey can hardly help developing an affection for him, both as a great player, and as a delightful companion. If circumstances, combined with outstanding ability had not decreed that he should devote his life to cricket, one feels that he might have become a much loved schoolmaster, or possibly a country parson. It is therefore not surprising to find that his MCC, The Autobiography of a Cricketer (Hodder and Stoughton, £4.95, 253 pages) is a kind and gentle book, completely devoid of malice. The one criticism is that in his efforts to be as nice as possible about everyone and everything, he has painted a cricket world without the warts that in fact do exist.

Colin believes that the considerable influence of an almost Victorian-style Prep school headmaster, combined with "an unavoidably nomadic childhood caused by my parents' absence," made him ultra-law-abiding and squashed any tendency towards exhibitionism. This probably helps to explain why he has so often been unsure of himself and prone to self-doubts, something that could even, on occasions, be seen in his batting. He never appeared to realise just how good a player he was. It also partially answers why the Selectors so often employed him as a caretaker captain of England, even after he had become the natural heir to the throne.

During his long career, which he punctuated with numerous records, an economic and social revolution took place within the game. The changes, not all to his liking, are discussed in detail and there is also a first-hand account of the D'Oliveira affair, which provides a classic example of the essential naivety of the game's administrators.

Colin has undertaken a unique number of major tours, including that dramatic late call, as replacement to the bouncer-shocked England XI in Australia the winter before last, so that players in all parts of the world, with a special place naturally reserved for Kent.

I enjoyed this book enormously and found it infinitely more rewarding than bowling at him, when he was stroking the ball to the boundary, and his bat appeared to be at least twice the regulation size.

Each Australian Test captain from "Handsome Dave" Gregory in 1877 to the controversial Ian Chappell is to be found in On Top Down Under by Ray Robinson (Cassell, £4.95, 320 pages). The author introduces all these characters both as skippers and men, in a series of clever pen portraits, which are further enhanced by photos and several amusing cartoons.

Inevitably in a chronicle of this nature there is a little unevenness, because the 34 captains vary so much, apart from the common denominator that they all received the greatest Australian cricketing accolade. He has only been able to devote a few pages to each, when many require a book to do them real justice.

Within these limitations the author is never less than interesting and frequently brilliant. A genuine craftsman, he brings to life incidents, anecdotes and players covering a hundred years with remarkable freshness, humour and compassion.

The paperback edition of Strangers' Gallery, edited by Allen Synge (Lemon Tree Press, £1.25, 176 pages), is sad, merry miscellany of impressions by foreigners about our summer religion. Their observations on this queer cult range from bemused fascination to almost complete incomprehension. Great fun.

The Young Cricketer by L. R. Benaud, with an excellent photo demonstration by Richie Benaud (Angus and Robertson, £2.00, 87 pages) is a straightforward instructional book on the basic principles of the game. It is easy to read and should help the young player, while it also contains some useful tips and advice for coaches, especially enthusiastic Dads with sons.

Hairpin hazards

BY BRIAN AGER

Automobile Year, editor-in-chief Douglas Armstrong. Patrick Stephens, £12.95, 240 pages

John Player Motor Sport Yearbook, edited by Barrie Gill. Queen Anne Press, £2.95, 330 pages

Motor Racing Year, edited by John Blunsden. Motor Racing Publications, £2.80, 128 pages

Sideways to Victory by Roger Clark, and Graham Robson. Motor Racing Publications, £4.50, 256 pages

Porsche 911 Story by Paul Frère. Patrick Stephens, £4.95, 187 pages

Norton Story by Bob Holliday. Patrick Stephens, £3.95, 128 pages

Big, glossy and impressive, Automobile Year is reputed to sit on coffee tables throughout the world in the homes of the top people in motor racing. It is, like Grand Prix racing, slickly produced, international (it is printed in English, French and German) and expensive.

About a fifth of its pages are given over to a review of the motor car industry in 1975, with a close look at the widely varied production philosophies of Rolls Royce and the Russian Lada. Then it gets down to the real business — racing — with well-written articles, fine colour pictures and a comprehensive section on Grand Prix results.

For less affluent motor racing enthusiasts, who want a record of the past year, there are cheaper alternatives. The John Player Motor Sport Yearbook is one of these.

This annual deals very fully with the past Grand Prix season and also takes at look at other racing formulae in Britain and around the world. But for me racing is about drivers, rather than cars and facts and figures —and this is where the John Player Yearbook scores.

It indulges in two of the favourite pastimes of all sports spectators—comparing the great ones from the past and looking for their successors among today's competitors. There are 124 profiles of drivers and I will only take issue with editor Barrie Gill on one omission. I would rate Rupert Keegan as a man to watch in the motor-racing world. A tribute to Graham Hill contains an epitaph that surely that great racing driver would have approved— "raconteur, rebel, occasional rogue and race driver extraordinary."

Perhaps it is unfair to compare Motor Racing Year with the other two annuals. For this book was published five months ago and is not as comprehensive as its rivals. But when Christmas presents are being bought—long before the others are on sale— it might look a good buy.

Honest racing drivers will admit that one sport scares them to death—rally driving. Knowing and seeing where you are driving on a race track is very different from relying on your co-driver's notes to decide whether to drive flat out over a blind hill crest or to brake because there is a hairpin bend where you land at the other side.

It needs a very special driver to control a car at maximum speed on such varied surfaces as ice, snow mud and sand. And unquestionably the finest exponent of this art that Britain has produced is Roger Clark. His own story Sideways to Victory, is written with a wry sense of humour. A good read for motor rally fans.

Racing or rallying, it is all the same to the Porsche 911 and this car, which has won in many branches of motor sport, is now the subject of an entertaining book by Paul Frère. It is well-illustrated and detailed. The next best thing to owning one of these coveted cars.

In the two-wheel racing world Norton is one of the immortal names. The second edition of Bob Holliday's book includes the more recent happenings in the Norton Story. Nostalgia for the motor-cyclist

Schooner and crew

BY STUART ALEXANDER

The opportunity to take a 60-foot schooner through the southern Pacific, over the top of Australia to New Guinea and eventually up to Singapore is something that many would give a right arm and part of a leg for and it figures high on the dream list of many young men propping up yacht club bars.

For five very young men from the United States the dream became a reality when film producer and director James Lipscomb—he made the now famous shark documentary "Blue Water, White Death"—decided to make a "cinema vérité" film of just such a voyage with his son as skipper, and four friends of his son's choice.

In his book of the voyage Cutting Loose (Angus and Robertson, £3.80, 307 pages), he describes on a day-by-day log basis the story of the preparations for and the making of the voyage in sometimes intimate, sometimes angry detail.

It is rare that a simple and honest attempt such as this to document the joys and frictions of life at close quarters over an extended period should arouse such frustration in the reader. Perhaps the eternal gaze of a film camera and sound equipment heightened the sense of drama among the crew, giving rise to extreme exaggeration and abnormally increased emotion, but if the account is anywhere near accurate it gives a daunting insight into the minds of American youth and their confused, but doggedly doting parents.

There are many books on the building, sailing and racing of dinghies but there are very few on crewing. One man who writes from considerable and sometimes uncomfortable experience is Bob Fisher. In his book Crewing Racing Dinghies and Keelboats (Stanford Maritime, £3.50, 160 pages) he introduces each aspect of the crewman's job on the different points of sail.

He tackles his subject with both humour and thoroughness and knocks down some of the more breezy claims made by those more anxious to impress than inform. The illustrations are carefully chosen and informative and he includes in the appendices some very salutary pre-race check-lists, parts of which could also be used on much larger boats.

It is always intriguing to find out why human beings deliberately put themselves into a position of misery, discomfort and difficulty when they could so easily be in comfort, warmth and security. History is littered with the tales of human endeavour which, we are always assured, should be an inspiration to us all.

Among these intrepid adventurers only the climbers of mountains have rivalled the publicity and glamour achieved by the growing number of sailors who have challenged the oceans of the world single-handed during the last century.

Peter Heaton has combined a potted history and a study of these men in The Singlehanders (Michael Joseph, 20s6p, £5.95). He recognises from the start the essential differences in approach between the pioneers up to the second World War and the modern-day escapist, and between the long-distance lone voyager and the single-handed racer.

He has, however, relied heavily on the better-known biographies of the most famous exponents of the art and also on the development of the Observer Singlehanded Transatlantic Race, and not surprisingly the publication of this book, coming as it does only ten days ahead of the 1976 OSTAR, is well-timed to take advantage of topicality.

His determination to give us a quick easy introduction has left many questions unanswered and we are left to wonder how men support themselves financially through a five-year voyage, how boats suffer severe knockdowns and damage and yet survive; nor are we ever given any real insight to the problems of provisioning, or of the resourcefulness needed when provisions are damaged or lost.

Over the sticks

BY MICHAEL THOMPSON-NOEL

English Fox Hunting: A History by Raymond Carr. Weidenfeld and Nicolson, £6.50, 273 pages

Grand National by John Welcome. Hamish Hamilton, £3.95, 358 pages

Second Start by Bobby Beasley. W. H. Allen, £4.95, 234 pages

It says much for the charm, style and wit of its author that English Fox Hunting: A History by Raymond Carr is almost as likely to stimulate and entertain opponents of the sport as it is its followers, and in the arena of blood sports that is no mean thing.

The author, a distinguished historian and Warden of St. Antony's College, Oxford, has for many years hunted over Exmoor, where one clambers up and down coombes and gets stuck in bogs, yet he provides an absorbedly balanced account not only of the development of fox hunting, from the 12th century to the present, but of the critics and the criticisms of an activity he clearly loves.

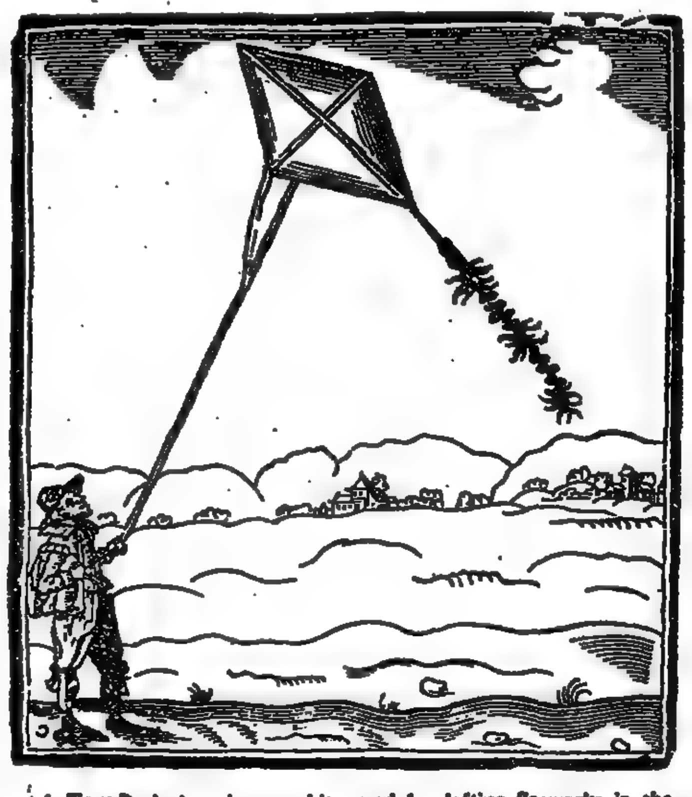
He has produced much more than a history of fox hunting—there are hundreds of those—but a history of rural England and rural society, particularly over the last 250 years, which explains the curious and sometimes dominant relationship between the development of that society, its literature and its art, and the development of fox hunting.

As Mr. Carr remarks, the persistence of the sport, its capacity to defy changing circumstances, is truly astonishing. Towns have spread; much good galloping grass has gone to plough; 4,000 miles of hedgerow are being ripped up every year and replaced by wire; costs soar; motorways arise and the great landed aristocracy has virtually vanished from the field.

But fox hunting persists, offering to the bourgeois of to-day escape from "an untidy, troubled present into a vision of some stable past." The RSPCA will not thank me for saying so, but this remarkable book has probably done the cause of the fox, as much as the cause of fox hunting, more good than one hundred moral resolutions.

With Grand National, John Welcome has made a foray into Dick Francis territory—the racing thriller—and not without success. The characters we seem to have met before: Larry Buckner, the "gentleman" bookmaker; Tommy Pereira, the jockey whose nerve is shot to pieces; Meg Meredith, one of racing's last great eccentrics; the Jockey Club stalwart with a nymphomaniac wife, and so on. But familiar or not, Mr. Welcome juggles his characters, and his twists, with considerable aplomb.

Still on the subject of National Hunt racing, Second Start by Bobby Beasley is a horrifying description of the pressures and temptations which crowd in upon a professional jump jockey. What they do for a living is absurdly dangerous, and it is hardly surprising that Beasley took to drink. But he survived the scourge of alcoholism and fought back to the top; this book describes his comeback.



'A Fiery-Drake' or lozenge kite used for lofting fireworks in the seventeenth century—one of many fascinating illustrations in 'The Penguin Book of Kites' by David Pelham (Allen Lane, £4.95, or Penguin paperback £1.95, 227 pages). This book is both a practical guide and a scholarly history of the art of kite-flying.

Stamps all over

BY JAMES MACKAY

The latest crop of philatelic books is dominated by Stanley Gibbons as usual. The eagerly awaited volume III of the Great Britain Specialised Catalogue (£5.00) deals with the pre-decimal stamps of the present reign (1952-71). The enormous increases in the prices of many of the earlier varieties, as well as such sidelines as postage dues and booklets, expresses more eloquently than any words the wisdom of collecting a comparatively narrow field in depth, rather than forming a haphazard accumulation.

Primarily aimed at the beginner, the Stanley Gibbons all-colour checklists now include a title dealing with the stamps of the Isle of Man (75p). The first half of the book lists and prices the postmarks of this very popular island, while the second half covers the regional and independent postage stamps since 1958. Checklist is far too modest and self-deprecating a term to apply to a book containing such a wealth of information. Invaluable to the beginner and advanced specialist alike.

Moving slightly farther west, David Feldman of Dublin has published two books dealing with the emerald isle. Stamps of Ireland (60p) is the Irish counterpart of the Gibbons' checklists, but also listing minor varieties, postal stationery and booklets, as well as the Fenian, Sinn Fein and IRA forerunners of the Free State. The Handbook of Irish Postal History (£6.50) is an exhaustive account of the postal history and markings up to 1840 and includes a realistic guide to values. Both books are available from David Feldman Ltd, 102 Leinster Road, Dublin 6.

Golfing through U.S.

BY BEN WRIGHT

The Story of American Golf by Herbert Warren Wind. Alfred Knopf, $20.00, 591 pages

Despite its ever growing world wide popularity golf has spawned few authors of note, perhaps less than a score. The definitive history of the game in Britain, its arguable origins and recent development from the pastime of the privileged few to a means of relaxation for millions has yet to be written on a heroic scale. But in 1948 when Herbert Warren Wind first brought out The Story of American Golf it was instantly recognised as the authoritative history of the game on that continent from its humble Scottish-inspired launching in 1888, when there were less than a dozen golfers in the land.

To-day, as Wind tells us, there are over 14m. golfers swarming over more than 11,000 courses in America a real estate capital investment of $3.50bn. American golfers spend close to half a billion dollars annually on their equipment and clothing. But this colossal growth has really mushroomed in the modern era thanks in no small part to the television heroics of Arnold Palmer, Jack Nicklaus, Gary Player, Lee Trevino and their ever growing supporting cast.

Wind updated his classic work in 1956 to include the comeback of Ben Hogan to even greater achievements than before his horrific car smash. Now the author has added roughly 100,000 more words and nearly 200 pages entitled "Palmer, Nicklaus, Player and a new era," bringing the story almost up to date. Wind has also added a short postscript on the historic 1975 U.S. Masters, but basically the history in graphic and beautifully written detail is complete up to the end of 1974, in which year Gary Player won major tournaments on five continents.

The little South African's victories are chronicled in the delightfully urbane style of an author whose articles on sport have graced the pages of the New Yorker magazine for so long.

It is hard to criticise a major work of such unfailing charm and daunting magnitude. But if it has a weakness it is that it is entirely devoid of colour photographs once one has admired the superb quality of the colour shots of Palmer and Nicklaus, taken during the U.S. Masters at Augusta National Golf Club in April 1975, which adorn the dust-jacket. Inside there is a wealth of interesting black and white photographs, particularly those of yesteryear, but they are drably presented.

This is a minor quibble, however. The Story of American Golf is quite simply the best golf book I have ever read—and I will read it again and again.

Index rallies 8.3 on revised GNP

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 20.

A MODERATE RALLY developed on Wall Street to-day, reflecting the Government's revised upward figures on first-quarter growth in the Gross National Product plus announced after-tax first-quarter Corporate profits up 3.5 per cent.

The Dow Jones Industrial Average moved up 8.37 to 997.27 and the NYSE All Common Index put on 40 cents to $54.31, while rises led falls by 877-to-576. Trading volume sharply expanded 4.11m. shares to 22.36m.

The upward revision in Real Gross National Product in the first quarter rose at an annual rate of 8.5 per cent. in the period, up from an originally reported 7.5 per cent.

After the NYSE closed, the Federal Reserve Bank of New York reported that the nation's basic money supply (M1) rose $2,000m. to $304,600m in the week ended May 12.

A pickup in demand for Oil shares was attributed to recent increases in gasoline prices and the strong recovery in car sales.

Exxon moved up $2¼ to $101½, following a two-for-one stock split. Atlantic Richfield moved ahead $2¾ to $100¼. Standard of Ohio $1¼ to $71¼. Mountain Fuel Supply $3 to $43½. Union Oil of California $1¼ to $51; Phillips Petroleum $1¾ to $56¾, and Superior Oil $8 to $161.

Heavily traded Xerox jumped $3½ to $54—it was optimistic about earnings prospects, and will be considering a boost in the dividend later in the year.

Wrigley were up $3½ to $73¾, Halliburton $2¾ to $56⅞, Digital Equipment $3¾ to $166⅞, Eastman Kodak $1¼ to $102¼, U.S. Steel $1¼ to $82¾, and IBM $3¼ to $257⅛.

CBS gained $1¼ to $55½, Fairchild Camera $1¼ to $46¾ and Boeing $1⅞ to $37⅞.

THE AMERICAN SE Market Value Index rose 0.15 to 104.82, while advances led declines by 299 to 285. Turnover amounted to 2.08m. (2.03m.) shares.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Sony	1,063,300	10	+¼
McDonald's	377,900	55¼	−¼
Xerox	266,300	54	+3½
Ponderosa System	231,400	10	+¼
White Cons.	224,600	20	−¼
Exxon	227,200	101½	+2¼
Texaco	217,700	27	−¼
Amer. Tel. Tel.	205,600	54¼	−¼
Occidental Petrlm.	195,000	18¼	+¼
Inexco Oil	194,000	11½	+¼

OTHER MARKETS

Canada again mixed

Canadian Stock Markets again finished mixed in active trading yesterday.

The Industrial Share Index rose 0.24 to 195.90, Base Metals 0.54 to 91.03, Utilities 0.72 to 145.49 and Banks 2.23 to 232.26. But Golds dropped 7.08 to 274.47, Western Oils lost 0.21 to 241.58 and Papers gave way 1.08 to 125.48.

Canadian Imperial Bank gained $⅞ to $28⅞.

PARIS — French shares firmed across a broad front in moderately active end Account squarring-up operations.

Portfolios and Stores, however, showe da majority of declines.

U.S. issues lost ground, Germans were mixed, International Oils narrowly irregular, while Gold Mines fell back.

BRUSSELS—Mixed to lower in quiet trading at the start of the new Account.

Steels were mixed. Non-Ferrous Metals finished steady, Electricals and Utilities were a little higher. Chemicals weakened. Oils were little changed, while Holdings were narrowly mixed.

U.S. shares finished basically steady. South African Gold Mines fell, German and Dutch stocks were lower, while French shares firmed.

AMSTERDAM—Shares generally weakened in quiet conditions ahead of the extra long week-end, due to the market closing to-day for the Centenary of the Stock Exchange Association.

Royal Dutch rose Fls.2.9 to 132.6 against the easier trend in Dutch Internationals. Unilever shed Fls.0.8 to 125.7, despite sharply improved first quarter profit and sales.

Van Ommeren fell Fls.4 to 231.5 on its statement it will have to be "very cautious" in capital spending.

State Loans, notably long dated, again fell sharply. The new Dutch Government Loan, with an 8 per cent. coupon, traded at Fls.96.90, down Fls.3.10 from the subscription price.

GERMANY—Broadly lower in moderate trading.

Banks were all lower, Electricals were weaker and Chemicals mostly lost ground.

Motors were under pressure. VW declined DM1.80 to 1.41. Daimler were down DM 6.50, despite a higher 1975 dividend.

Machine Makers lost up to DM 3.40 and Steels fell up to DM 5. Metals also were lower.

Bayer dipped DM 4.7 to 134 on its one-for-ten rights issue. Hoechst shed DM 2.20 and BASF DM 1.60 despite sharply-higher first quarter profits. Preussag lost DM 2 after reports that it will probably keep its 1976 dividend unchanged.

Minings all declined. Utilities generally lost ground. Stores were mixed to lower, while Breweries remained neglected.

Public Bonds further declined up to DM 0.50, while the Authorities bought a nominal DM 5.5m. of stock. Foreign Loans again fell.

COPENHAGEN — Generally higher in moderate dealings. Communications, Insurances, Commodities, Shippings and *Industrials all improved.*

VIENNA—Quietly steady in featureless trading.

OSLO—Bankings and Industrials were steady, while Insurances and Shippings were quiet.

MILAN—Narrowly mixed in slack and cautious trading, influenced by forthcoming Italian election uncertainties.

Bonds were quiet.

SWITZERLAND—Slightly easier on moderate profit-taking.

Leading Banks were little changed, Insurances showed small losses, while Stores were mixed.

State Bonds were quietly steady.

In the Foreign sector, Dollar stocks drifted lower in moderate trading, Dutch Internationals were irregularly lower, while Germans lost ground.

HONG KONG — Higher in decreased trading.

Hong Kong Bank were up 30 cents to $HK18.50, Hong Kong Land, 10 cents to $HK6.90, Hutchison 7½ cents to $HK2.775, Wheelock "A" 2½ cents to $HK2.275, Jardine 30 cents to $HK20.30 and Swire Pacific "A" 15 cents to $HK8.60.

JOHANNESBURG—Gold shares were easier in line with the lower bullion price. Trading was quiet. "Heavyweights" lost up to R1.25, while "marginal" and "speculative" issues shed up to 20 cents.

Financial Minings also eased but Coppers were firmer. Messina gained 20 cents to R445 on London demand.

Industrials were a shade better.

TOKYO—Higher in moderate trading. Volume 200m. (130m.) shares.

Motors responded to record production for April. Toyota Motor rose Y26 to Y788.

Steels gained ground on expectations of higher steel prices next week. Kawasaki Steel added Y4 at Y115, Nippon Kokan Y4 at Y117, Kobe Steel Y4 at Y108, and Nippon Steel Y3 at Y133.

Oils, Trading Houses and Shippings were lower.

Bridgestone Tire improved Y5 to Y502 on plans to export truck tyres to North Vietnam.

Tokyo Electric Power lost Y3 to Y892—it will seek a rate increase.

Among Papers, Hokuetsu gained Y12 to Y199.

House Food were up Y50 to 1,450, Toyo Suisan, Y20 to 770, Chugai Pharmaceutical Y20 to 740, Konishiroku Photo Y20 to 460, NGK Spark Plug Y27 to 510, Chiyoda Chemical Engineering Y20 to 640 and Shimura Kako Y14 to 130.

Matsushita Tsushin put on Y60 to 1,130, and Matsushita Electric Trading Y60 to 1,970.

AUSTRALIA—Generally firmer on renewed buying.

Poseidon rose 10 cents to $A2.40, WMC 4 cents to $A1.73 and Peko-Wallsend 20 cents to $A5.80.

Among Coals, Oakbridge moved up 5 cents to 85 cents and Thiess 3 cents to $A2.30.

Bank of NSW lost 6 cents to $A6.12 but other Banks firmed a few cents.

BHP improved 12 cents to $A7.68 on the Royal Commission recommendation that local crude oil prices be lifted.

Most Sugars improved while Financiers were generally firmer.

Weak spots were Properties and Retailers, but Breweries and Wine Makers were better.

Utah shed 5 cents to $A3.63—it reported a first-half profit of $A60m.

Oils were slightly more active. Weeks Resources put on 12 cents to 88 cents and Woodside Burmah firmed 1 cent to 95 cents.

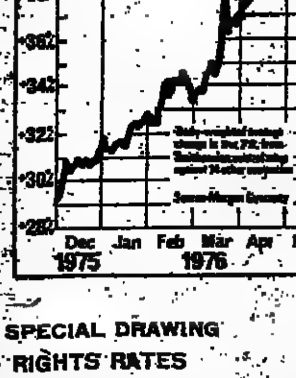
Pound erratic

The pound was subjected to further pressure in the foreign exchange market yesterday, with its trade weighted average depreciation, as calculated by the Bank of England, widening to 38.2 per cent. at noon, equal to its worst level ever, before recovering at the close to 37.9 per cent. unchanged on Wednesday. Within a very short period, the pound fell in the morning to $1.7970-1.7980 in terms of the dollar. At this point the Bank of England may have intervened, bringing the level back to $1.8025-1.8035 by midday. During the afternoon, the pound recovered further ground finishing at $1.8055-1.8065, a fall of 25 points on the day.

The Italian lira recorded useful gains against some major currencies, closing at L840 against the dollar from L845 on Wednesday. Reports indicate that the lira may be undervalued at its present level, but there still remains an undertone of uncertainty over the unsettled political climate in Italy. The Swiss franc continued to strengthen, finishing at Sw.Frs.2.4810 from Sw.Frs.2.4945 against the dollar. The average appreciation of the Swiss franc improved to 40.60 per cent. from 40.07 per cent. previously.

The U.S. dollar ended the day largely unchanged on balance. Its trade weighted average depreciation, as calculated by Morgan Guaranty of New York, on noon rates, widened slightly to 1.67 per cent. from 1.65 per cent.

Gold lost $¾ an ounce in generally featureless trading, to close at $125¾-126¼. The premium of the Krugerrand over its gold content widened to 3.67 per cent. domestically, and narrowed to 3.28 per cent. in international dealings, over the common previous close of 3.46 per cent.



SPECIAL DRAWING RIGHTS RATES

The SDR is equal to	May 20	May 19
Sterling	0.635825	0.634595
U.S. dollar	1.14845	1.14684
Belgian franc	45.0192	45.1695
Deutsche mark	2.94635	2.95128
French franc	5.40231	5.41710
Italian lira	954.813	970.169
Japanese yen	343.731	343.192
Dutch guilder	3.12493	3.13097
Swedish krone	5.07075	5.07614
Swiss franc	2.84264	2.87593

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

May 20	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfurt	—	2.576-.78	54.54-61	15.46-.50	4.655-659	94.32-.38	103.72-.78
N. York	38.65-67	—	21.13-16	2.541-545	1.7910-7935	36.52-.55	40.12-.15
Paris	183.25-.63	4.687-.07	—	11.8905-.16	.4725-4875	172.836-.23	189.975-.375
Brussels	16.26-.29	39.21-.34	8.33-.5	—	70.66-.81	14.38-.43	15.81-.85
London	4.75-.65	1.8055-.65	8.61-.2	70.8-71.10	—	4.83-.94	4.47¼-.48¼
Am'rd'm	106.015-.065	.7197-.7222	51.82-.87	6.938-.944	4.8035-.85	—	109.875-.985
Zurich	96.37-.56	2.484-.487	52.67-.77	6.315-.3275	4.49½-.49¾	90.94-91.0	—

U.S. $ in Montreal. U.S. $=98.02-04 Canadian cents.
Canadian $ in New York. C$=101.98-102.0 U.S. cents. U.S. $ in Milan 839.25-840.25.
Sterling in Milan 1516.75-1519.25.

EURO-CURRENCY INTEREST RATES*

May 20 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	10-10¼	5-5½	7¼-8¼	4-4½	3¼-3½	¼-¾
7 days notice	10⅛-10½	5⅛-5⅝	8-8	4-4½	3⅝-3½	⅛-¾
Month	10⅛-10⅝	5¼-5¾	8⅞-8⅛	5¾-4	3⅝-3¾	1½-1⅞
Three months	10¾-11¼	5⅞-6⅜	8-8¼	5⅞-4⅛	3⅞-3⅝	1⅜-1⅝
Six months	11½-12	6⅞-7⅛	8⅜-8⅝	4⅜-4⅝	4⅛-4⅜	2⅛-2⅜
One year	12⅛-12⅝	7⅛-7⅜	8⅛-8⅜	5⅛-5⅜	4⅞-5	2⅞-3⅛

Euro-French deposit rate: two-day 7½-8 per cent.; seven-day 7½-8 per cent.; one-month 8½-8¾ per cent.; three-month 9¼-9¾ per cent.; six-month 10¼-10¾ per cent.; one-year 10¼-10¾ per cent.

Longer-term Eurodollar deposits: two years 7¼-7½ per cent.; three years 8¼-8½ per cent.; four years 8¼-8¾ per cent.; five years 8⅝-8⅞ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5¼-5⅜ per cent.; three months 5⅞-6 per cent.; six months 6⅝-6¾ per cent.; one year 7⅛-7¼ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-days' notice for guilders and Swiss francs.

GOLD MARKET

	May 20	May 19
Gold Bullion (a fine ounce)		
Close	$125¾-126¼	$126¼-127
Opening	$125¾-126¼	$127¼-127¾
Morning fix'g	$125.65 (£69.611)	$127.15 (£70.268)
Afternoon fix'g	$125.65 (£69.569)	$126.80 (£70.133)
Gold Coins (domestically)		
Krugerrand	$129½-131½ (£71¾-72¾)	$130-132 (£72-73)
New Sov'r'gns	$46-47 (£25-26)	$45¼-47¼ (£25-26)
Old Sov'r'gns	$43-45 (£24-25)	$45¼-46¼ (£24-25)
Gold Coins (Intern'naly)		
Krugerrand	$129-131 (£71½-72½)	$130-132 (£72-73)
New Sov'r'gns	$46½-46¾ (£25¾-25¾)	$45¼-47¼ (£25-26)
Old Sov'r'gns	$40¾-41¾ (£22½-23)	$40½-42½ (£22½-23½)
$20 Eagles	$210-213	$212-215
$10 Eagles	$106-109	$109-112
$5 Eagles	$76-79	$76-79

FOREIGN EXCHANGES

May 20 1976	Bank Rate %	Day's Spread	Close
New York	5½	1.7975-1.8770	1.8055-1.8065
Montreal	9¼	1.7695-1.7748	1.7690-1.7700
Amsterdam	4	4.89-4.94	4.93-4.94
Brussels	7	70.40-71.3	70.8-71.1
Copenh'gen	8½	10.92-11.05	10.97-11.0
Frankfurt	5½	4.61-4.68	4.65-4.66
Lisbon	6½	54.2-54.5	54.35-54.55
Madrid	†7	121.75-122.50	122.25-122.5
Milan	12	1,510-1,525	1,518-1,519
Oslo	5	9.86-9.95	9.93-9.94
Paris	8	8.46-8.55	8.51-8.52
Stockholm	5½	7.84-8.1	7.89½-7.90½
Tokyo	6½	537-547	542-543
Vienna	5	33.10-33.55	33.25-33.4
Zurich	2½	4.45-4.51	4.47½-4.48½

† Basic discount. ‡ Given rates are for convertible francs. Closing financial franc 73.05-73.25.

OTHER MARKETS

		¶Notes	Rates
◆Argentina	252.80-253.00	Argentina	310-72
Australia	1.4641-1.4795	Austria	31¼-34
Brazil	18.56-18.75	Belgium	71½-3
Finland	6.88-7.01	Brazil	21-24
Greece	65.260-66.332	Canada	1.76-1.78
H'ngkong	8.8250-8.8675	Denmark	10.9-11.1
Iran	125-128	France	8.45-8.6
Kuwait	0.524-0.534	Germany	4.65-4.7
Luxemb'g	72.05-72.25	Greece	65-67
Malaysia	4.6100-4.6250	Italy	1700-1800
N.Zealand	1.8327-1.8259	Japan	540-560
SaudiArab	6.33-6.45	Nether'l'ds	4.85-5
Singapore	4.4629-4.4759	Norway	9.85-10
S.Africa	1.5548-1.5601	Portugal	55-58
U.K.	—	Spain	119-123
Canada		Switz'land	4.40-4.5
C$1—		U.S.	1.80-1.82
U.S. cents	102.07-102.10	Yugoslavia	71-74

Based on rates quoted by spot dealers. ◆ Rate given is Official Rate. BCRA Rate 430.24-430.44.

FORWARD RATES

Indices

NEW YORK—DOW JONES

	May 20	May 19	May 18	May 17	May 14	May 13	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	997.27	988.90	989.45	987.64	989.80	1001.10	1,011.19 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home Bonds	72.57	72.57	72.49	72.56	72.56	72.52	73.60 (22/4)	69.11 (2/1)	—	—
Transport	219.77	217.75	216.94	217.77	218.54	218.14	220.61 (11/5)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	86.82	86.65	86.56	86.65	86.88	87.30	91.80 (4/3)	84.84 (2/1)	163.32 (20/4/69)	10.58 (28/4/42)
Tr'ding vol 000's	22,360	18,450	17,410	14,720	16,800	16,750	—	—	—	—

	May 14	May 7	April 30	Year ago (approx.)
Ind. div. yield %	3.77	3.72	3.70	4.61

STANDARD AND POORS

	May 20	May 19	May 18	May 17	May 14	May 13	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	114.77	113.75	113.88	113.64	113.82	114.88	116.37 (24/3)	101.64 (2/1)	134.54 (11/1/73)	3.62 (30/6/32)
Composite	102.00	101.18	101.26	101.09	101.34	102.16	103.51 (6/4)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	May 19	May 12	May 5	Year ago (approx.)
Ind. div. yield %	3.42	3.36	3.44	3.76
Ind. P/E Ratio	13.75	13.94	13.68	10.30
Long Govt. Bond yield	5.85	5.79	5.60	5.08

N.Y. S.E. ALL COMMON

May 20	May 19	May 18	May 17	1976 High	1976 Low
54.31	53.91	53.92	53.84	56.28 (6/4/76)	37.06 (2/1/76)

Rises and Falls May 20	
Issues Traded—1,893	Up—877
Down—576	Same—440
New Highs—94	New Lows—22

	May 20	May 19	May 18	May 17	1976 High		1976 Low	
MONTREAL Industrial	207.10	207.33	208.52	—	207.58	(19/5)	176.62	(2/1)
MONTREAL Combined	199.78	199.63	198.94	—	199.78	(20/5)	175.87	(2/1)
TORONTO (Industrial)	195.90	195.66	195.27	195.53	197.48	(20/2)	175.91	(2/1)
JOHANNESBURG Gold	199.1	200.8	209.1	199.8	228.7	(19/4)	174.4	(6/4)
JOHANNESBURG Industrials	214.8	213.3	212.6	212.8	214.8	(20/5)	188.8	(6/4)

	May 20	Pre-vious	1976 High	1976 Low
Australia (a)	469.23	467.38	472.91 (13/5)	440.50 (6/1)
Belgium (b)	100.67	101.54	115.12 (6/2)	100.37 (20/5)
Denmark (d)	108.16	108.01	107.79 (27/1)	100.30 (10/5)
France (e)	66.0	65.5	74.5 (4/5)	60.1 (13/5)
Germany (f)	745.5	752.6	821.7 (17/3)	743.5 (20/5)
Holland (g)	95.9	95.9	105.5 (5/2)	90.4 (7/5)
Hongkong (h)	381.19	386.64	460.53 (17/3)	364.35 (2/1)
Italy (k)	74.42	74.16	91.57 (25/2)	72.20 (4/5)
Japan (m)	339.63	338.47	344.51 (24/3)	326.28 (6/1)
Singapore (n)	266.34	266.37	298.16 (5/2)	235.52 (2/1)
Spain (p)	95.00	94.95	100.79 (7/5)	85.45 (1/4)
Sweden (q)	467.90	464.95	476.98 (10/5)	395.35 (19/1)
Switz'rl'd (r)	295.2	298.2	298.5 (12/5)	261.5 (4/5)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 425 Industrials. † 425 Inds., 60 Utilities and 20 Rails. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—111¼% (118¼%)

NEW YORK

Stock	May 20	May 19
Abbot Labs	45	43⅜
Addressograph	9¼	9¼
Corning Glass	73⅞	72⅞
CPC Int'nation'l	43⅞	44
Crane	34⅞	34¼
Crocker Nat.	25⅞	23⅝
Crown Zellerbach	44⅝	44¼
Johns Manville	28½	28¾
Johnson Johnson	86½	86¼
Johnson Control	21	20¾
Joy Manufactur'g	44¾	45¾
Kaiser Alumin'm	35½	35¾
Reading	1	1
Republic Steel	37	36½
Revlon	75⅛	75⅛
Reynolds Metals	38	37⅛
Reynolds R. J.	56⅞	56¾
Zenith Radio	33	34
Chile 5½ 1993	†90	†90
U.S.Treas.4% '98	†89¾	†89¾
U.S.Treas4¼% 75/8	†91¾	†91
U.S. 90-day bills	5.35	5.29

CANADA

GERMANY ◆

May 20	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	92.7	−0.8	—	—
Allianz Versich.	390	−1	17	2.2
B.M.W.	239.5	−5.5	14	2.9
BASF	167	−1.6	14	4.6
Bayer	134	−4.7	17	6.0
Bayer Hypo.	281	−2	20	3.5
Bayer Vereinsbk.	276	−2.5	20	4.0
Commerzbank	185	−2.9	18	4.9

MILAN

May 20	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	700		—	—
ANIC	370	−5	80	
Assonia Fin.	3,900	+10	120	5.4
Bastogi	617	−8	70	6.7
Breda	1,612	+12	160	9.2
Burgo	9,500	+10	200	2.1
Centrali	5,100	+100	400	3.9

BRUSSELS/LUXEMBOURG

PARIS

AMSTERDAM

SWITZERLAND

COPENHAGEN

VIENNA

AUSTRALIA

May 20	Aust. $	+ or −
Acrow Australia	†0.75	
Adelaide Brighton Cement 50c	†1.12	−0.01
Allied Mng-Inds Indust. $1	†1.63	+0.01
Ampol Exploration	†0.87	
Ampol Petroleum	†0.60	
Assoc. Minerals	†5.20	
Assoc. Pulp Paper $1	†0.90	
Aust. Cons. Industries	†1.42	−0.05

TOKYO

Source Nikko Securities Tokyo.

STOCKHOLM

OSLO

JOHANNESBURG

MINES

INDUSTRIALS

SPAIN

EEC ban on cod imports attacked

Richard Mooney

ACTION to combat cheap imports has been branded a "non-measure" as far as the [illegible] is concerned by the British [Traw]lers Federation (BTF).

The measure (suspending [impo]rts below the EEC reference price) only covers fresh or [chill]ed fish whereas the big drag [on th]e (British) market is caused [by] ready-processed frozen [fillet]s," the BTF complained in [a st]atement issued yesterday.

[T]he EEC reference price," [said] the statement, "is another [nons]ense" being fixed at £12.64 [a] 63.5 kilo kit against an [estim]ated break-even level for [Briti]sh fishermen of £20.

[Mr.] Austen Laing, BTF [dire]ctor-general accused the [Briti]sh Government of "not [pros]ecuting our case strongly [enou]gh in Brussels." He [desc]ribed the regulations issuing [from] Brussels as a charade.

[A] BTF spokesman said last [nigh]t that Norway was the main [sour]ce of the cut-price fillets and [also] named France, West Germany, Poland, Iceland and the [Faro]es. But an importer of [Polis]h fish denied that frozen fillets were entering the U.K. [from] that source in any quantity, though he admitted that a [smal]l trade was still going on in [fish] and minced cod. The BTF [spok]esman claimed, however, [that] the Polish fish was coming [in] the form of skinless industrial blocks, which can be used [as fil]lets when thawed.

No Canadian wheat shortage expected

OTTAWA, May 20.

[OTT]O LANG, Justice Minister [resp]onsible for the Canadian [Whe]at Board, said there was no [dan]ger of a domestic shortage [alth]ough current Canadian wheat [stoc]ks are the lowest for 25 [year]s.

[H]e told Parliament that current stocks exceeded domestic [whe]at requirements by three [time]s. Production this year [cou]ld increase ten-fold he said [and] added future exports would [hav]e to be more closely aligned [with] production.

[T]he Wheat Board has urged [prai]rie farmers to boost their [acr]eage this year and increase [the] country's depleted reserves. [Re]cent surveys show intended [acr]eage up more than 10 per [cen]t.

[Re]uter.

General recovery in commodity markets

BY JOHN EDWARDS, COMMODITIES EDITOR

COMMODITY PRICES generally moved up on the London futures markets yesterday reacting to the easier tone in sterling and signs that speculative selling, following the zinc market "scare," is now drying up. Cocoa, for example, leapt by £43.25 to £1,088.5 a tonne on fears of a nearby shortage of supplies.

On the London Metal Exchange copper led the move upwards with cash wirebars gaining £9.5 to £822.5 a tonne. Lead *and zinc gains more than offset* the previous day's losses, while tin prices moved up modestly *again for the second day running.*

Metal dealers claimed that *while long-term "investment"* remained, most short-term speculators seeking quick profits have sold out previous purchases as a result of the move to restrict non-trade zinc business. In the process, there had also been some "short" selling, particularly by trade interests, and it is felt the markets are somewhat oversold at present with resistance building up against prices moving lower.

It was confirmed yesterday that there is a transport agreement between Zaire and Rhodesia Railways involving the use of some 200 trucks a month. Each truck can carry about 45 tonnes of copper, so this ties in with reports of Zaire shipping some 10,000 tonnes a month of copper out via South African ports.

In Chicago, Mr. John Place, chairman of the U.S. Anaconda copper company, said there was a need for prices to rise from the current U.S. producer price level of 70 cents a lb. But he added any price increase would depend on reducing market stocks.

Margins

Mr. H. Barchoff, president of the American Copper Council, forecast the U.S. producer price would rise again before July. He advised consumers to start a long-term copper stock-building policy in anticipation of a possible strike when the U.S. copper workers' three-year labour contracts come up for renewal in June, 1977.

Mr. Barchoff advocated a rise in the margin required for copper futures trading, including the introduction of mandatory margins for speculators on the London Metal Exchange. *He* said barring the speculator completely would distort market prices even further, and suggested a 20 per cent. minimum margin for non-trade business would be a more reasonable solution.

Meanwhile, the possibility of stricter controls to prevent copper warrants being used to *evade U.K. currency regulations* was hinted at by Mr. Robert Sheldon, financial secretary to *the Treasury. In a written* answer in the Commons he said the administration of exchange *controls as applied to copper* warrants was currently under [review.]

At present when Metal Exchange warrants, which are negotiable documents, are delivered to U.K. residents details have to be supplied to the Bank of England to ensure their whereabouts is known.

The suggestion is that the *Bank of England* might consider tightening controls by regulating that metal warrants must be held by *authorised depositories*, as is the case with certain other negotiable securities. However statutory powers would be required for the introduction of such measures.

Common sheepmeat policy move

BY ROBIN REEVES

BRUSSELS, May 20.

THE INTRODUCTION of an EEC Common sheep meat policy, which could result eventually in dearer lamb prices in the U.K., moved a small, but inexorable step nearer at this week's Council of Agricultural Ministers meeting.

The months of sustained Irish pressure, including a threat by *Mr. Mark Clinton, Ireland's* Farm Minister, to take the French Government to the European Court of Justice for obstructing intra-EEC trade in sheep meat, resulted in a Council of Ministers resolution to adopt an interim Common sheepmeat arrangement by August 1, this year.

At the same time, the Council called on the Brussels Commission to submit a report also by August 1, to serve as a basis for discussions towards creating a permanent EEC Common policy for sheep, lamb and mutton.

That said, the resolution is not quite such a big step forward *in Ireland's sheep meat policy* crusade as it would appear. For one thing, M. Christian Bonnet, the French Farm Minister, abstained in the Council vote on the resolution reducing its legal and political validity. Mr. Fred Peart, U.K. Minister, gave his assent only after a considerable watering down of the original text.

The French have made it clear they intend to fight *long* and hard against the introduction of a Common regime which could undermine in any way the *luxury prices—at least 50 per* cent. above U.K. and Irish levels —enjoyed by their own producers.

This week M. Bonnet was at pains to emphasise Article 43 of the Rome Treaty which states that national market arrangements may be replaced by a Common EEC organisation providing the employment and *standard of living of the pro*ducers concerned is at the same time safeguarded.

Britain's approach to the threat of a Common sheep meat regime is proving more subtle. Mr. Peart's statement of a year ago in which he declared the *Government saw no need for a* Common policy in the foreseeable future has now been replaced by the line that although the Rome Treaty dictates there must be a Common sheep meat policy this does not have to mean there should be a Common organisation of the market from Brussels.

Mr. Peart's strategy now appears to be to hide behind the French, while insisting at the same time that any EEC regime must take account of Britain's dominant position as a producer and consumer of lamb, and must not increase protection against New Zealand lamb imports, *which account for over 40 per* cent. of Britain's needs.

● A flood of pigs on the market *later this year could mean* cheaper pork for the housewife at first, but much higher prices later on, Mr. Richard Butler, deputy president of the National Farmers' Union, said in London yesterday, our Commodities Staff writes.

Signs of too rapid an increase in pigs in Britain's pig herd were worrying the NFU, he said. In *the past year young breeding pigs* had increased by 10 per cent. and the total breeding herd was *now near 900,000.*

It was estimated that this could mean an extra 1m pigs for slaughter this year—at a time when market prices were falling and production costs rising.

Boost for English Butter

By Peter Bullen

THERE WAS an increase of more than 40 per cent. in the quantity of milk used in England and Wales for making *dairy products last month, the* Milk Marketing Board announced yesterday. More than 115m. gallons were used compared with only 2m. in April 1975.

Total milk output was up by 14 per cent. at nearly 239m. gallons—30m. more than April last year when production was hit by the unusually cold weather. Liquid milk sales continued the long-term decline last month which was aggravated by the Easter holiday sales drop. In total the sales were down by 2.7 per *cent. or 3m. gallons at 123.35m.* gallons.

About 50m. gallons of the *manufacturing milk were used* for butter making as part of the home industry's overall *drive to win a bigger share of* the U.K. market from the low 7 per cent. figure reached in *the past two years.*

Over the next few months the industry will promote *sales of English butter* by offering consumers a discount equivalent to 8p a lb. with an offer of a free 50p coin per household for 12 wrappers from ½lb. Country Life butter packs.

Rubber output in Malaysia likely to rise

KUALA LUMPUR, May 20.

MALAYSIAN rubber and oil palm crops will increase substantially this year, although the latter may be adversely affected by an unusually prolonged period of dry weather at the beginning of the year, according to Kempas (Malaysia).

Benta Plantations said in its *1975 annual report* that rubber production would return to the level achieved in 1974 following *the return to normal production* methods with the phasing out of the rubber price stabilisation scheme.

It also said oil palm crops are expected to be about 10 per cent. higher than in 1975.

The two companies—principal associates of Sime Darby Holdings—said rubber prices have strengthened so far this year and *there has been no strong price* competition from synthetic substitutes.

Recent estimates of natural rubber consumption, moreover, indicate that production is unlikely to meet estimated demand for the year.

Reuter

CEREAL GROWING

Changing my tune over tramlines

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

SOME WEEKS ago I wrote rather patronisingly about the tramline craze which is causing some arable farmers to leave wheel tracks through their crops to facilitate repeated treatment throughout the growing season. I inferred that this system was originally brought about by the high grain prices on the Continent and that we did not really need to follow fashion quite so slavishly as our yields were in no way inferior to theirs.

Since then I have spent a few *days in North Germany* and Belgium looking at crops, all tramlined, and have come back *with my tune slightly changed.* The catalyst for this re-assessment was my meeting was my *meeting with Professor Laloux* of the Faculté Agronomique at Gembloux near Brussels. It has been my good fortune over the years to meet many of those whom I consider to be the great farming scientists men who have been responsible for the application of science to practical farming, something the academics often fail to do.

It would be invidious to mention names but their intellectual equipment contains a very wide practical knowledge of farming, of farmers, and of the objectives of all research which is to increase *food production* and conincidentally, the wellbeing of farmers.

This means being able to think and speak on a practical farming plane and gain the confidence of farmers. For without this confidence, the lessons of research are unlikely to be adopted.

Climate

Professor Laloux is of this number. His approach is based on reasoning, raisonnement. Farmers, he says, should study the growth pattern of their crops, assess the effects of *climate, the previous year's crop*ping and so on and be prepared to vary the doses of nitrogen and sprays to suit these factors.

He has developed a set of principles. Autumn sown cereals are to be preferred to spring, because on the Continent growth starts late and the summers are often hot and dry. He was asked by the Belgian Government to *develop a system for raising the* yield of spring barley for malting, and after some years he recommended that it would be better to buy such barley from Britain or France where farmers were not so attuned to high *yields. In Belgium and Germany* winter barley grown for feed is generally the rule.

Seeds rates are kept low. He proved by practical trial that *when the plants are too closely* packed, yield will fall. Each wheat plant for instance should *have room to tiller a number of* heads and make sure these come to maturity. The application of nitrogen in small doses should mainly be in the spring, finishing with a final one in mid-May to improve the protein and milling quality of the grain.

When I asked *him* about the sudden changes of weather which afflict a maritime climate like that *of Britain,* he laughed and said that they did not alter the general principle that a farmer should use his wits to counter them. His use of fertiliser sprays and fungicides was far from extravagant, the latter being applied in minimal doses as much as an insurance as anything.

As to the general expense, he pointed out that in Belgium there was *very little hired* labour, that arable farmers kept little stock and that they had *plenty of time* through the season for running a light tractor up the *tramlines* several times in the spring and early summer.

In Germany the farms I visited were in Schleswig Holstein where, in contrast to the rest of Federal Germany some large farms survive in the 700 to a 1,000-acre bracket owned it seemed almost entirely *by princes, dukes and counts.* But to put them in perspective, the average farm size in the *region is around 75 acres and* usually dependent on livestock.

The climate is rather colder *than Belgium* and southern England and the arable cropping rather similar to that in Belgium with the difference that instead of sugar beet as a break after wheat and winter barley, they had oilseed rape in many cases.

But the similarity ended there. The amounts of seed and fertiliser used by the Germans was double the Belgian rate. The crops in my *eyes looked far too* thick to be healthy. Dense foliage always attracts disease in my experience and usually reduces yield. They all used the tramline technique and claimed *—as did the Belgians—*that it had materially increased yields.

I asked my German hosts (it was before meeting Prof. Laloux) why they used such excessive inputs by British standards. They claimed that unless they did this, they would get nothing like the crops in their short summer growing period, that they were successful and as long as the crops paid there was no reason to change. Grain growing obviously paid well and all the farms but one visited had got rid of their beef cattle or cows.

When I asked the professor about the German methods he *said the Germans,* whom he knew well having been their prisoner in the war, were always liable to *stick* to their fixed ideas and lacked flexibility of approach. Theirs was a saturation technique of fertiliser, seed and chemicals.

There is no doubt from the evidence of the farmers that the Laloux technique produces good yields in both Belgium and Germany which I thought were as good as, if not better than, our own. This is difficult to quantify exactly, because farmers everywhere are notoriously apt to exaggerate their *results.* I thought the Belgian crops were better than the German but this difference may *have been climatic and seasonal.*

Will Laloux's approach work here? I think it will because *our practice is already* based on the generally lighter seedings and fertiliser use practised in Belgium compared with Germany. The equipment necessary is available, the seed drills, sprayers and fertiliser distributors just have to be matched to fit the tramlines.

WILD OATS TEST

By Our Commodities Staff

A NEW method of testing cereal seed for the presence of wild oats—the weed which costs British agriculture some £20m. losses a year—was announced yesterday.

RHM Agriculture claimed that their new machine can test 20 times as much grain in half the time taken by present methods, and will enable *them to sell their* seed with the claim it has no wild oats in 10 kilograms tested. *This compares with the* new EEC regulations which come into force on July 1 which allow one wild oat in one kilo of seed tested.

The machine, which has been developed by RHM scientists over the past three years at a cost of more than £30,000, has aroused a lot of interest in major grain growing countries. It will *be sold overseas for about £4,000.*

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Turned upwards on the London Metal Exchange, helped by the easier tone of sterling, coupled [with] good borrowing of metal for two [months] short of the full period. After opening around £826, forward metal traded [illegible] Kerb, owing to good trade demand, lack of fresh offerings and the firmer tone of the U.S. market. Turnover 15,650 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at [illegible]. Kerb: Wirebars: Cash [illegible]; three months £850, 49, 50, 49.5, 50, 51.

[COPPER]	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
[Wire]bars				
Cash	823.4	+10½	822.5	+9.5
3 months	847.8	+8.25	850.1	+11½
Settl'm't	824	+11	—	
Cathodes				
Cash	815-6	+10½	815-7	+12.5
3 months	842.5.5	+10.5	842.3	+11.5
Settl'm't	816	+10.5	—	
U.S. Prod.	—		*70	

TIN—Recovered. Trade buying and short-covering prompted by the easier tone of sterling pushed prices higher with forward standard metal trading up to £4,230 before ending at £4,225 on the afternoon Kerb. Turnover 1,020 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	4150.5	+72.5	4110.5	+22.5
3 months	4230.40	+85	4215.25	+25
Settl'm't	4155	+70		
Standard				
Cash	4130.5	+72.5	4110.5	+22.5
3 months	[illegible]		[illegible]	
Settl'm't	[illegible]			
Straits E	[illegible]			
New York				

[illegible]

LEAD—Rallied in line with copper, trading up to £289.5 before closing at £288.5 on the afternoon Kerb. Turnover 4,850 tonnes.

[illegible]

ZINC—Gained ground reflecting the overall trend in base metals, modest trade interest and lack of fresh offerings; forward metal touching £433 before ending at £431 on the afternoon Kerb. Turnover 1,825 tonnes.

[illegible]

SILVER

Silver was fixed [illegible] an ounce lower for spot delivery in the London bullion market yesterday at [illegible]. [illegible]

[illegible]

COCOA

[illegible]

FREIGHTS

DRY CARGO—Chartering was moderately active but grain shippers played only a minor role and some brokers felt the continued absence of fresh business in this sector might result in some easing in rates. [illegible]

[illegible]

COFFEE

Robusta closed very strong with values higher in every forward position, although turnover was lower.

[illegible]

RUBBER

STEADY opening on the London physical market. Good interest throughout the day, closing a little up. Lewis and Peat reported a Malaysian godown price of 212 cents a kilo (buyer, June).

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

THE BALTIC—Small tonnages of EEC wheat traded for June shipment to East Coast U.K. ports, while optional wheat [illegible]

[illegible]

LONDON GRAIN FUTURES MARKET (GAFTA)—[illegible]

[illegible]

SUGAR

LONDON DAILY PRICE (raw sugar) [illegible]

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

JUTE

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

[illegible]

Sugar (Raw)	£188	+2.0	£180
Wooltops 64s kilo	250p	+1.0	250p
Cloves (Madagascar)	u 13,400	-300.0	£2,900
Pepper White ton	£1,08[illegible]	....	£1,050
Black ton	£895	....	£860

* Nominal. Seller. ‡ Unquoted. ¶ Unofficial close ♣ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b Mombasa U.S. cents a pound. d Bangladesh white "C." h Jan.-March. r Sept. u Metric tons.

FINANCIAL TIMES

May 20	May 19	Month ago	Year ago
214.05	212.96	210.63	162.07

(Base: July 1, 1952=100)

REUTER'S

May 20	May 19	Month ago	Year ago
1442.3	1434.4	1403.5	1081.6

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	May 20	May 19	Month ago	Year ago
Spot	336.40	333.49	324.86	277.97
Futures	323.00	320.66	315.48	260.51

(Average 1924-25-26=100)

MOODY'S

Moody's	May 20	May 19	Month ago	Year ago
Staple Comm'ty	821.1	812.4	814.8	754.7

(December 31, 1931=100)

COPRA—Philippines (a tonne)—June unquoted, July and Aug. $215.00, Sept. $220, Oct. $222.00, Nov. and Dec. $225 resellers c.i.f. North Euro ports.

U.S. Markets

Sugar and cocoa rise: coffee firm

NEW YORK, May 20.

COPPER and silver closed higher on renewed Commission-house buying on the [illegible]. Sugar was firm in an active trading session. Coffee finished limit-up on Commission-house short-covering and trade buying based on rumours of roaster purchasing of Central American coffees. [Soybe]ans rose with good demand for soyabean meal, pushing that market and soybeans higher. Bache reports.

[illegible]

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ¢ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. § $'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. r Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Quiet day highlighted by company trading statements

Share index eases 0.2 to 410.3—Beecham advance

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
May 3	May 13	May 14	May 25
May 17	May 27	May 28	Jun. 9
Jun. 1	Jun. 10	Jun. 11	Jun. 22

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A rather quiet and dull day in stock markets was highlighted by a number of major trading statements. **Beecham** were prominent among the more well-known names, rising 12 to 390p on the results which were well above expectations, while the good half-yearly figures left Trafalgar House 5 higher at 102p. By way of contrast, Boots eased 3 to 135p on slight disappointment with the full year achievement and Lonrho were similarly cheaper at 89p after the figures for the first half-year.

Elsewhere, underlying sentiment was not helped by uncertainty over sterling which met with an early setback. Among British Funds, long-dated stocks eased by ¼ on the possibility of a new long "tap" stock being announced to-day, while short-dated issues recorded falls of 1/16 on fears of a rise in U.S. Prime Rates. The Government Securities index lost 0.28 to 63.53. Apart from Beecham, leading industrials moved narrowly and final quotations were mostly a shade easier on balance, this being reflected in a loss of 0.2 to 410.3 in the FT 30-share index at the close.

Overall, the trend was mixed: falls led rises by 3-2 in FT-quoted Industrials but the FT-Actuaries All-Share index hardened 0.1 per cent. to 169.67. Sectorwise, Property shares stood out with some good gains, interest here being stimulated by the half-year results from Trafalgar House and the recent Eagle Star Insurance-English Property deal. The FT-Actuaries index for the section rose 3.2 per cent. to 165.26.

Funds react

Views put forward in the Press and elsewhere that Gilt-edged, in general, had little scope for fresh improvement provided the reason for a reaction after Wednesday's exhaustion of the long "tap," Treasury 12¼ per cent., 1993, stock. Defensive action was soon taken against only a modest amount of selling and this led to falls of ⅜ occurring among longer issues, although these were clipped to ¼ eventually. The shorts also moved gently lower although here, too, there was no great pressure on the market and closing losses extended to 3/16.

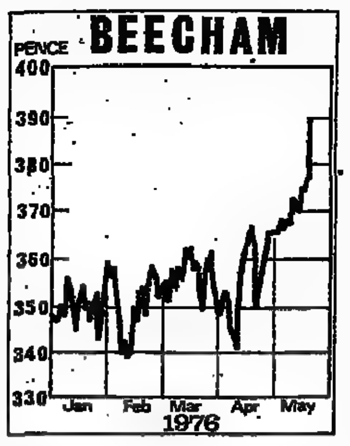
Newcastle and Gateshead Water 8 per cent Preference, 1981, made its debut: the stock, in £10-paid form, opened at £10⅛ and closed at £11¼.

A revival of old rumours that a two-tier sterling system was about to replace investment currency was used as an excuse rather than the reason for sudden weakness in the premium yesterday. Reliable sources argued that the sharp reaction was more positively the aftermath of recent substantial demand, which had taken rates up too high, and subsequent moderate selling in a market now bereft of buyers. The premium at one stage fell to 109¾ per cent. before steadying to close on a wider dealing margin than normally at 111¼ per cent., a fall of 7¾ points on balance. Yesterday's SE conversion factor was 0.6694 (0.6587).

HK. and Shanghai dull

Already dull at 306p at the "House" close on domestic advices, Hongkong and Shanghai took a further turn for the worse "after-hours" in sympathy with dollar premium influences and closed 20 down on the day at 300p, making a decline on the week so far of 38. Elsewhere, the Banking sector displayed little of interest with the big four drifting down on lack of support. Lloyds shed 3 to 230p and National Westminster 2 to 238p.

Insurance brokers took their recent rise a modest stage further: **Alexander Howden** hardened 2 to 174p, after 176p. Composites were idle and tended to drift lower on lack of interest. "Royals" shed 4 to 310p and Commercial Union declined 2 to 124p as did Phoenix to 212p. Guardian Royal Exchange resisted the trend at 207p, up 1.



Breweries and kindred trades closed without much alteration following a small trade. Arthur Guinness shed a penny to 133p.

Buildings were quiet and little changed. R. Costain eased 3 to 221p, while Beaver, 54p, and Magnet and Southerns, 154p, shed 4 apiece. Streeters of Godalming remained a dull market, losing 1½ more to 53p. Cement Roadstone contrasted with a rise of 5 to 66p. Higher first-half profits took **M. J. Gleeson** up a penny to 23p.

ICI attracted a little more business, the new nil-paid shares and the old both closing a penny cheaper at 45p premium and 373p respectively. Elsewhere, **Hickson and Welch** improved 9 to 364p; the interim results were announced June 4 last year. **British Benzol Carbonising**, 3 up at 23p, were also notably better following revived bid speculation. **A. G. Bayer** were quoted ex the "rights" issue at £44.

Grampian "A" featured late in Televisions, rising 4 to 26p on the return to profitable trading.

Utd. Scientific rise

United Scientific continued to feature Electricals, improving 11 more to a 1976 peak of 136p in response to the increased interim dividend and sharply higher first-half profits. **Ever Ready** were quietly steady at 130p in front of to-day's preliminary statement. **H. Wigfall** edged up 2 to 154p and **Louis Newmark** moved up 5 to 110p. On a dull note, **Muirhead** reacted 3 to 123p following the half-yearly report. **Lec Refrigeration**, at 86p, also gave up 3. Overseas issues had contrasting movements in **Philips' Lamp**, 32 cheaper at 940p, and **Sony**, 30 higher at 1976 peak of 830p. The leaders closed little changed following a quiet trade.

Stores had little to commend them. **F. W. Woolworth** were finally unchanged at 65p, after 64½p, following the interim figures, while **UDS** finished a penny cheaper at 84p following a reasonable business in front of to-day's preliminary statement. Among secondary issues, **Lee Cooper** improved 10 to 80p in response to small buying in a thin market. **Selincourt** finished a touch harder at 11p despite the profits setback, but **Readicut International**, at 31½p, shed ½ of the previous day's gain of 2 which followed the preliminary figures. Mail Orders continued firmly, **MFI Warehouses** closing a penny better at 43p, after 44p, and **Freemans (London)** improving 5 to 178p.

Engineerings lacked uniformity and although **Hawker** reacted 8 to 436p, **GKN** were finally unchanged at 330p, after 332p. **Tube Investments** drifted back 4 to 358p and **Vickers** 2 to 184p, but **Herbert Morris** picked up 3 more to 118p in belated reflection of yield attractions. **Ayrshire Metal** rose 2½ to 28p, while **G. M. Firth** were raised 5 to 61p and **Aluminium Corporation** 3 to 47p. **Braham Millar** were a small feature at 42p, up 4, and **Spear and Jackson** recovered 3 to 78p. **Redman Heenan** came back 2½ to 27½p following the interim results and **Brockhouse** were 1 easier at 56p after lower first-half profits.

Associated Fisheries closed a penny firmer at 26p on the reduced first-half loss, while **Fox's Biscuits** edged up 2 more to 170p despite a reported bid denial from **Northern Foods** 2 off at 103p. **Pork Farms** made no apparent response to the preliminary figures, closing without alteration at 130p. **Robertson Foods**, however, eased 2 to 87p following the preliminary results. **Matthews Holdings** gave up a penny at 38p on further consideration of the results. In Supermarkets, **Kwik Save Discount** responded to Press comment with a rise of 2 to 120p.

Among Hotels and Caterers, **Savoy "A"** hardened a penny to 27p and **Stanneylands** moved up 2 to 22p. **Hotel York 6¼ per cent. Cumulative Preference** were marked up 20 to 65p on the capital repayment plans.

Beecham please

Contrasting movements among the miscellaneous Industrial leaders in response to trading news provided the main source of interest yesterday. **Beecham** stood out, rising 12 to a 1976 high of 390p on the better-than-expected preliminary profits, while **Trafalgar House Investments** also responded to better-than-expected first-half figures with a gain of 5 to 102p, also a 1976 peak. **Boots**, on the other hand, were marked down on the results which came below market expectations and the shares finished 3 off at 135p, after 134p. **Unilever**, at 490p, lost half of the previous day's gain of 8 on further consideration of the first-quarter figures. Elsewhere, secondary issues displayed no set trend after a thin trade. Late news that an unknown concern had bid 56p per share for GRA's 40 per cent. stake in Brighton and Hove Stadium brought about a mark-up of 4 to 56p in the latter, while **Sangers** improved a similar amount to 92p on buying ahead of next Thursday's results. Press comment on the results helped **Steel Bros.** improve 4 more to 222p, making a two-day rise of 17. "Rights" issue details left **Dunbee-Combex-Marx** a penny better at 191p, while **Leisure Caravan Parks** improved 2 to 80p on the results. A combination of domestic and dollar premium advices depressed Hong Kong stocks which cheapened throughout; **Jardine Matheson** gave up 26 to 327p and **Swire Pacific** lost 10 to 138p, while **Wheelock Marden** receded 3½ to 36; sentiment in the last-named was also affected by poor results.

Lucas issues attracted a fair amount of interest in Motors and Distributors, the nil-paid shares closing a penny cheaper at 24p premium, while the old finished 2 better at 214p. **Dowty** were notable for a fall of 4 to 167p. Garages had a couple of firm spots in **Lex Service**, a penny firmer at 37½p on further consideration of the chairman's statement at the annual meeting, and **H. and J. Quick**, 2 better at 20½p on the chairman's report on current trading. **Frank G. Gates** contrasted with a fall of 5 to 90p.

Properties wanted

Properties regained a touch of their old sparkle, encouraged not only by the English/Eagle Star deal but also by the Trafalgar House interim statement. **Land Securities** led the movement with a gain of 6 to 166p, after 167p, while **MEPC** moved up 4 to 74p and **British Land** 2 to 32p. **English** traded fairly well but improved only 1 more to 46p. Outside of the leaders, **Stock Conversion** put on 6 to 164p, **Hammerson "A"** advanced 7 to 323p and **Great Portland** 4 to 242p. **Bernard Sunley** were not left out, despite the implications of the Eagle Star deal, and rose 4 to 122p. In thin markets, **United Real** were raised 10 to 185p and **Imry** 8 to 138p. **Slough Estates** further responded to the higher profits forecast by improving 2 to 84p. Against the trend, **Intereuropean** fell 3½ to 67p and **Lend Lease** 10 to 295p, the latter on investment dollar influences.

A sudden late U.S. interest gave **British Petroleum** a fillip from 870p to a close of 883p for a net rise of 10 and also stimulated fresh enthusiasm for **Shell**, which finally gained 4 to 462p, after 456p. **Burmah**, too, attracted a little more inquiry and hardened 1 to 37p, but investment currency influences caused volatility in **Royal Dutch**, which moved between £40⅜ and £39¾ before ending only slightly easier on balance at £40. Among overseas issues, **Weeks Natural Resources** jumped 10 more to 85p and the Options 6 to 30p, but **Siebens (U.K.)** reacted 10 further to 140p.

Despite higher first-half profits, **Lonrho** eased 3 to 89p in Overseas Traders. **Inchcape** gave up 2 to 428p and **Paterson Zochonis** lost 5 to 190p with the "A" N/V similarly lower at 185p.

News that the deadline for the report of the Monopolies Commission on the apparent merger situation between **Eurocanadian Shipholdings** and **Furness Withy** has been extended to July 30 unsettled the latter which cheapened 8 to 211p.

Hambros Investment Trust "B" shares were firm, rising 8 to 62p on the results and proposed scrip issue. Elsewhere in Trusts and Financials, stockjobbers **Akroyd and Smithers** exceeded Wednesday's rally with a rise of 7 to 205p. **Estates House Investments** gave up 3 to 216p as did **Floreat** to 21p. Far-eastern advices prompted a fall of 10 to 120p in **Jardine Securities**.

Tootal cheapened 3 to 39p in Textiles following news of the proposed £10.6m. "rights" issue, while **Coats Patons** touched 65p on the poor preliminary profits before rallying on recovery hopes to finish only a shade off at 66½p. In a thin market, **John Haggas** lost 5 at 315p, while **Stoddard "A"** shed 2 to 39p as did **RKT** to 37p. **Leeds and District Dyers**, on the other hand, improved 2 more to 46p ahead of next Tuesday's interim results. The Tobacco majors were idle and a little easier for choice at the close.

Mining shares fall

Movements in overseas mining shares once again [illegible] more to the fluctuations in the investment dollar premium [illegible] to any sizeable selling orders.

South African Gold shares which edged forward on Wednesday for the first time in [illegible] trading days, resumed their downward path in the wake of a further decline in the bullion price and the sharp fall in the premium.

The Gold Mines index dropped 9 points to 165.2—its lowest [illegible] since April 20, while bullion finally 75 cents down at $125[illegible] per ounce, its lowest closing [illegible] since January 26.

Financials mirrored Golds. "Amgold" were ¼ lower at [illegible] and GFSA eased a half-point [illegible] £17. Anglo-American dropped [illegible] to 285p, while Cape [illegible] lowered De Beers 11 to 227p.

The London-based Financials drifted owing to lack of interest. Gold Fields closed 6 down at [illegible] while Charter and RTZ [illegible] eased 2 to 152p and 224p respectively. Selection Trust, whose "rights" issue expires at [illegible] to-day, were unchanged.

Coppers were generally lower reflecting the premium. Botswana RST fell 7 to 60p, after 58p while Minorco were 4 down at 208p. Platinums, dealings in the Rustenburg holding companies remain suspended, but Bishopsgate eased 2 to 108p.

Australians lost ground owing to the premium and despite the firmer trend in overnight home markets. Oakbridge rose another 4 to 88p after touching a year's high of 87p following the company's forecast of higher earnings in the current year.

FINANCIAL TIMES STOCK INDICES

	May 20	May 19	May 18	May 17	May 14	May 13	A year ago
Government Secs.	63.53	63.81	63.61	63.29	63.23	63.45	[illegible]
Fixed Interest	63.57	63.70	63.38	63.32	63.54	[illegible]	[illegible]
Industrial Ordinary	410.3	410.5	405.2	401.0	407.2	[illegible]	[illegible]
Gold Mines	165.2	174.2	171.6	174.9	177.7	182.8	[illegible]
Ord. Div. Yield	5.36	5.36	5.31	5.36	5.19	5.17	[illegible]
Earnings Y'ld % (full)	15.05	15.04	15.18	15.33	15.04	15.01	[illegible]
P/E Ratio (net) (a)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dealings marked	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity turnover £m.	—	51.16	44.86	45.40	59.75	50.96	[illegible]
Equity bargains total	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

10 a.m. 410.6. 11 a.m. 410.1. Noon 409.8. 1 p.m. 409.1. 2 p.m. [illegible] 3 p.m. [illegible]

Latest Index [illegible]

(a) Based on 52 per cent. corporation tax. (b) Nil=[illegible]. Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.76 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	381.6 (5/1/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	245.9 (2/1/76)	140.1 (5/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	May 20	May 19
Daily—		
Gilt-Edged	167.1	[illegible]
Industrials	202.1	[illegible]
Speculative	[illegible]	[illegible]
Totals	137.2	[illegible]
5-day Av'ge.—		
Gilt-Edged	172.0	[illegible]
Industrials	185.9	[illegible]
Speculative	55.4	[illegible]
Totals	128.5	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity groups	Thursday, May 20, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. May 19 Index No.	Tues. May 18 Index No.	Monday May 17 Index No.	Friday May 14 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	155.69	−0.2	14.58	5.67	10.56	10.26	155.97	155.93	152.81	154.20	126.44	160.06 (21/4)	148.66 (2/1)	206.57 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	140.14	−0.1	12.66	6.50	11.97	11.96	140.53	138.75	137.96	139.42	109.75	150.19 (15/1)	137.96 (17/5)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	217.21	−0.1	16.49	4.87	9.42	9.42	217.53	213.38	213.04	213.06	242.33	260.20 (15/1)	213.04 (17/5)	389.55 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	281.86	−0.1	14.60	4.40	10.12	9.82	282.11	277.03	271.97	274.15	221.12	287.30 (21/4)	250.60 (6/1)	350.04 (4/5/72)	86.71 (25/6/62)
5	Engineering (Heavy) (13)	190.15	−0.4	19.84	6.27	7.86	7.86	190.96	187.03	186.19	187.45	158.85	193.18 (3/5)	153.90 (6/1)	202.57 (8/6/73)	94.43 (1/2/76)
6	Engineering (General) (63)	144.51	−0.3	14.58	6.07	10.05	10.04	144.78	143.24	142.64	144.22	111.45	146.29 (3/5)	125.48 (2/1)	168.59 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	58.86	+0.1	13.78	6.80	12.53	12.79	58.77	58.02	58.56	59.18	48.34	60.52 (3/5)	51.19 (6/1)	156.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	139.65	—	13.70	6.06	11.37	11.05	139.69	138.94	139.06	140.14	116.80	141.94 (11/5)	121.55 (2/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	156.46	+0.2	15.17	4.83	9.84	9.61	156.25	155.03	154.43	155.01	96.45	141.46 (21/4)	131.87 (2/1)	227.78 (21/4/72)	38.59 (6/1/75)
10	Lt. Electronics, Radio TV (15)	151.21	−0.3	13.12	3.56	11.19	11.17	151.60	150.52	149.46	150.72	96.41	160.55 (7/4)	139.18 (2/1)	257.41 (18/6/72)	42.85 (13/12/74)
11	Household Goods (13)	164.29	+0.2	15.81	6.26	9.05	9.05	163.99	162.03	161.57	160.60	138.53	167.22 (7/4)	163.56 (2/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	85.47	+0.8	17.72	6.26	8.65	6.50	82.76	81.86	81.79	81.90	48.25	85.16 (3/5)	70.05 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	156.89	−0.5	13.84	5.74	11.03	10.95	157.54	155.05	154.05	155.09	142.85	162.94 (4/3)	148.09 (12/4)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	161.69	+0.2	13.93	6.71	10.77	10.77	161.34	158.06	157.16	159.33	160.52	179.45 (2/2)	150.25 (12/4)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	184.95	−0.6	10.51	5.47	14.83	14.83	186.05	183.27	183.52	184.46	167.69	190.67 (6/5)	173.82 (12/4)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (14)	186.10	+0.2	12.91	7.09	11.92	11.82	185.72	182.49	181.58	185.20	156.90	211.26 (8/3)	181.56 (17/5)	329.99 (12/12/72)	64.87 (19/7/74)
17	Food Manufacturing (22)	176.79	−0.7	14.31	4.91	10.67	10.60	177.96	175.55	174.41	176.68	153.64	179.44 (11/5)	162.69 (20/2)	211.60 (1/5/72)	59.79 (12/12/74)
18	Food Retailing (16)	146.24	−0.7	11.36	4.86	12.81	12.81	146.24	143.30	142.18	143.46	144.01	160.06 (12/1)	136.61 (2/4)	255.08 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	173.06	+0.1	12.04	6.96	12.77	12.77	172.95	171.95	171.07	172.41	143.13	184.34 (11/3)	163.47 (2/1)	250.29 (18/1/72)	56.08 (6/1/75)
20	Packaging and Paper (12)	108.70	−0.1	16.54	7.21	9.22	9.22	108.81	107.69	106.97	109.17	105.70	112.80 (26/2)	104.18 (2/4)	135.69 (26/4/72)	45.46 (6/1/75)
21	Stores (34)	127.86	−0.1	11.61	5.36	13.04	13.02	127.95	126.76	125.51	125.61	128.44	136.24 (2/2)	121.60 (12/4)	204.59 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	170.48	−1.1	12.71	5.48	10.59	9.72	172.39	171.09	170.38	172.69	142.86	183.19 (30/1)	163.16 (12/4)	253.72 (17/8/66)	82.56 (11/12/75)
23	Tobaccos (3)	237.50	—	18.36	5.97	6.31	6.31	237.56	231.91	230.65	230.65	188.62	241.89 (3/5)	211.56 (6/3)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	77.74	−0.1	19.49	6.12	7.14	7.14	77.81	78.34	78.54	78.54	42.26	78.73 (11/5)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (96)															
25	Chemicals (26)	222.34	−0.2	10.89	5.01	12.94	12.95	221.83	220.48	220.03	222.64	178.26	231.38 (3/5)	199.45 (6/1)	231.38 (3/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	99.60	−0.6	12.06	5.23	12.00	12.00	100.18	97.72	95.69	97.21	97.92	100.18 (19/5)	85.09 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	393.42	−0.1	13.84	6.59	10.02	9.12	393.91	393.69	392.90	403.55	385.54	432.64 (30/1)	355.52 (19/5)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (49)	166.14	—	14.12	6.44	10.42	10.41	166.13	165.23	164.84	166.05	149.57	172.98 (21/4)	156.79 (2/1)	258.83 (2/6/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	162.08	−0.1	13.54	5.62	10.97	10.68	162.50	160.31	159.56	160.64	138.79	165.38 (4/5)	152.00 (2/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	396.84	+1.2	10.81	4.14	10.69	9.90	391.27	390.98	389.36	385.13	274.69	395.84 (20/5)	331.34 (16/2)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	181.25	+0.1	13.10	5.38	10.93	10.71	181.11	179.22	178.21	179.06	160.27	183.00 (3/5)	167.61 (2/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	133.72	+0.5	—	5.44	—	—	133.04	132.94	131.74	132.91	142.46	193.46 (30/1)	131.74 (17/5)	241.41 (1/4/72)	55.88 (13/12/74)
33	Banks (6)	164.08	−0.4	18.87	5.16	8.15	8.15	164.78	163.16	161.06	162.25	152.78	192.16 (29/1)	152.93 (19/3)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	166.21	−0.4	—	8.32	—	—	165.60	166.29	166.29	166.37	144.93	166.52 (13/1)	152.20 (1/4)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	110.38	−0.7	—	5.87	—	—	109.59	108.72	107.92	107.19	100.06	132.10 (26/2)	104.50 (2/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (10)	113.71	+0.4	—	6.38	—	—	113.23	110.19	110.14	110.76	120.11	129.46 (30/1)	110.14 (17/5)	194.46 (15/3/72)	44.68 (2/1/75)
37	Insurance (Composite) (7)	106.20	−0.1	—	6.61	—	—	106.34	104.52	103.46	105.36	118.74	119.75 (30/1)	103.49 (17/5)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	275.22	+1.0	8.62	4.02	17.25	17.26	272.56	266.48	261.44	261.66	206.46	276.90 (11/5)	218.26 (6/1)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (16)	79.27	+0.3	—	7.06	—	—	79.05	78.88	78.62	78.79	87.38	93.83 (27/1)	77.94 (9/4)	278.67 (1/5/72)	31.21 (7/1/75)
40	Property (32)	165.26	+3.2	3.17	3.06	56.06	56.87	160.18	156.85	155.64	156.84	216.67	194.57 (30/1)	155.37 (13/5)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	79.77	+1.3	16.39	7.05	9.59	9.55	78.78	78.52	79.69	80.16	71.32	91.98 (3/2)	78.10 (2/4)	303.13 (16/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	167.05	−0.1	3.10	4.39	33.66	33.63	167.19	166.53	166.47	168.14	172.61	184.55 (30/1)	155.54 (2/4)	245.79 (26/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	169.67	+0.1	—	5.34	—	—	169.43	167.38	166.58	167.54	148.88	172.64 (30/1)	160.52 (2/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	507.99	+0.3	11.73	6.66	12.85	12.67	506.53	501.35	501.88	506.56	520.02	523.40 (7/5)	404.67 (14/1)	555.37 (23/7/73)	84.68 (26/8/65)
45	Teas (8)	137.64	—	30.61	8.61	4.43	4.28	137.64	138.15	138.40	139.52	89.97	140.44 (28/4)	117.89 (7/1)	140.44 (28/4/76)	59.72 (17/10/74)
46	Coppers (3)	235.70	−4.7	43.79	7.61	2.28	2.28	236.91	232.67	235.49	240.06	456.93	301.47 (7/1)	178.95 (5/4)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	109.75	−1.4	9.52	4.59	11.78	11.69	111.35	111.56	111.49	113.81	139.16	119.77 (7/1)	86.18 (3/5)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	107.65	−0.7	11.26	8.20	12.93	12.25	108.37	109.17	109.99	111.12	110.96	115.14 (10/5)	86.09 (9/2)	126.43 (12/1/73)	64.83 (27/6/71)
49	Overseas Traders (13)	244.26	−0.7	13.58	4.23	9.59	9.57	245.99	245.04	244.47	243.75	246.32	254.47 (3/5)	229.55 (2/1)	254.47 (3/5/76)	97.37 (6/1/75)

	FIXED INTEREST	Thurs., May 20 Index No.	Yield %	Wed. May 19	Tuesday May 18	Monday May 17	Friday May 14	Thurs. May 13	Wed. May 12	Tuesday May 11	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.56	13.47	13.55	13.64	13.62	13.62	13.52	13.52	15.10	—	—	—	—
2	20-yr. Govt. Stocks (6)	51.22	†12.72	51.48	51.26	50.76	50.90	50.95	51.03	51.19	46.91	53.46 (30/1)	47.56 (2/1)	115.42 (11/9/63)	38.87 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	52.57	†14.14	52.14	52.09	52.08	51.73	51.60	51.53	51.23	45.60	52.14 (19/5)	46.68 (2/1)	113.43 (25/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	49.35	14.02	49.43	49.44	49.86	49.72	49.59	50.15	50.20	43.09	51.23 (18/2)	46.50 (2/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	67.15	14.14	67.29	67.56	67.96	68.10	68.08	68.54	68.21	59.07	71.97 (2/2)	62.76 (2/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	146.76	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 20p. A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividends and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
Shell Transport	25p	11	462	+4	462	378
Beecham	25p	10	390	+12	390	339
Lucas Inds. 'New'	Nil/pd.	9	24*	−1	26*	20½*
Reckitt & Colman	50p	9	349	−6	380	322
Trafalgar House Investment	20p	9	102	+5	115	87
"Bats"	25p	8	385	—	410	342
Standard Chart'd	£1	8	422	—	494	380
Aust. & NZ Bkg.	£1	7	450	−5	469	377
Burmah Oil	£1	7	37	+1	53	31
GEC	25p	7	165	+1	168	142
ICI	£1	7	373	−1	402	323
Land Secs.	50p	7	166	+6	198	131
Marks & Spencer	25p	7	97	—	108	88
United Scientific	25p	7	136	+11	136	85
Boots	25p	6	135	−3	148	126

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 11	May 24	Aug. 5	Aug. 17
May 25	Jun. 8	Aug. 19	Sep. 1
Jun. 9	Jun. 21	Sep. 2	Sep. 14

"Calls" were dealt in Waterford Glass, Greenall Whitley, Supra, Town and City, Great Portland Estates, Oil Exploration, Lonrho, Henderson-Kenton, English Property, Land Securities and Chloride, while "doubles" were arranged in Shell Transport, Lonrho, Slater Walker, English Property, British Land and National Westminster Bank Warrants.

Industrials							
A. P. Cement	15	Guardian	18	Spillers	4	Shell	24
Assoc. Leisure	5	G.K.N.	25	Tesco	4	Ultramar	17
Barclays Bank	22	Hawker Sidd.	50	Thorn "A"	22		
Beecham	25	House of Fraser	8	Tube Invest.	27	Mines	
Boots Drug	12	I.C.I.	20	Unilever	38	Anglo Amer.	8
Bowaters	16	"Imps"	7	Utd. Drapery	6	Charter Cons.	15
B.A.T.	30	I.C.L.	14	Vickers	15	Chart'rh'll Fin.	4
British Leyland	5	Inveresk	7	Williams Hud'n.	4	Cons. Gold	16
BOC Int.	5½	Legal & General	12	Woolworths	6	De Beers Def.	35
Burton 'A'	6½	Ladbroke	11			F. S. Geduld	550
Cadburys	6	Lloyds Bank	22	Property		Great Boulder	12
Courtaulds	11	"Lots"	4	Brit. Land	5½	Hampton Areas	12
Debenhams	6	"Mams"	7	Cap Counties	5	Hampton Prop.	4
Distillers	15	Marks& Sp'ncer	8	E.P.	8	Kloof	100
Dunlop	7½	Midland Bank	22	Int. Europ.	7	Lonrho	9
Eagle Star	11	Nat'l West Bank	20	Land Securities	14	Loraine	5
E.M.I.	17	"Dr" Warrants	8½	MEPC	7	Poseidon	55
Gen. Accident	12	P & O Dfd.	11	Peachey	4½	Pres. Steyn	200
Gen. Electric	16	Plessey	7	Samuel Props.	4½	Rio T. Zinc	17
Glaxo	55	R.H.M.	5	Town & City	2½	Welkom	58
Grand Met	7	Rank Org. 'A'	18			West Areas	40
G.U.S. 'A'	16	Reed Int'l.	23	Oils		Western M'ng.	18
		Rothmans	4	Brit. Petroleum	40		
		Slater Walker	4	Burmah Oil	4½		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (33)

BEERS (1): Greene King
BUILDINGS (2): JCEG [illegible]
STORES (1): Freemans [illegible]
ELECTRICALS (2): Sony [illegible]
ENGINEERING (8): APV [illegible] Acrow [illegible] Amalgamated Power [illegible] Automatic Coil Tools [illegible]
FOODS (2): Alpine Soft Drinks [illegible] Fox's Biscuits [illegible]
INDUSTRIALS (6): Andre Silentbloc [illegible] Beecham [illegible] Centrewav [illegible] Dufay Bitumastic [illegible] Dunbee-Combex-Marx [illegible]
INSURANCE (1): Howden (A.)
SHIPPING (1): Watmoughs [illegible]
TEXTILES (1): Lyle Shipping [illegible]
TRUSTS (1): Leeds Dyers [illegible]
OILS (1): Icefund [illegible]
MINES (1): BP [illegible] Oakbridge

NEW LOWS (17)

AMERICANS (1): Reliance [illegible]
BANKS (1): Copenhagen Handelsbank, Credit Suisse [illegible]
FOODS (1): Armitage Brothers [illegible]
INDUSTRIALS (4): Morgan Edwards [illegible] Judge International, Norcros [illegible]
INSURANCE (1): Commercial Union
PROPERTY (1): Hong Kong Land
SHOES (1): K Shoes
TRUSTS (1): FC Eurotrust
OILS (1): Siebens (U.K.)
MINES (1): Metramar [illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	2	48	9
Corpns. Dominion and Foreign Bonds	5	1	60
Industrials	282	326	1,193
Financial and Prop.	126	79	366
Oils	2	7	22
Plantations	4	6	36
Mines	8	93	45
Recent Issues	12	11	32
Totals	365	572	1,763

BASE LENDING RATES

Allied Irish Banks Ltd.
American Express Bank
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Canada Perm't AFI
Cayzer, Bowater Co. Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboit Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Hongkong & Shanghai
Industrial Bank of Scot.
Keyser Ullmann ... 10
Knowsley & Co. Ltd. ... 11
Lloyds Bank ... 9
London & European ... 11
London Mercantile ... 10
Midland Bank ... 9
■ Samuel Montagu ... 9
■ Morgan Grenfell ... 9
National Westminster ... 9
Northern Comm. Trust ... 10
Norwich General Trust ... 10
Portman Guaranty ... 9
P. S. Refson & Co. ... 9
Rossminster Accept'cs. ... 9
Schlesinger Limited ... 10
E. S. Schwab ... 11
Security Trust Co. Ltd. ... 11
Shenley Trust ... 11
Standard Chartered ... 9
Trade Development Bk. ... 9
Twentieth Century Bk. ... 11
United Bank of Kuwait ... 9
Whiteaway Laidlaw ... 10
Williams & Glyn's ... 9
Yorkshire Bank ... 9

■ Members of the Accepting Houses Committee.
* 7-day deposits 5½%, 1-month deposits 5¾%.
† 7-day deposits on sums of £10,000 and under 5½%, up to £25,000 6¼% and over £25,000 6¾%.
§ Demand deposits 7%.
¶ Call deposits over £1,000 5½%.

CORAL INDEX Close 408-413

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]
† Property Bond table.

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 10½ per cent. (since April 23, 1976)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave an exceptional amount of assistance by buying Treasury bills direct from the houses. The main factor working against the market was the large settlement of gilt-edged stocks. There was also a net take-up of Treasury bills, and local authority bill maturities. This more than outweighed a decrease in the note circulation.

Discount houses paid 10-10½ per cent. for secured call loans in the early part, and rates by the close had eased to 8-8½ per cent.

In the inter-bank market, overnight loans opened at 9¾-10 per cent., and after moving up to 10¼-10½ per cent., rates eased back by mid-day, before easing off at the close to 8-8½ per cent. Short term fixed period interest rates were slightly firmer in places.

Rates in the table below are nominal in some cases.

May 20 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	[illegible]	—	—	—	[illegible]	[illegible]	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	—	[illegible]	—	—	—	—	—	—	—
7 days notice	—	[illegible]	[illegible]	—	—	[illegible]	[illegible]	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	[illegible]	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

Finance House Base Rates (published by the Finance Houses Association) [illegible]

AUTHORISED UNIT TRUSTS

[illegible]

Framlington Unit Mgt. Ltd.♥
5-7, Ireland Yard, EC4B 5DH. 01-248 6971

Capital Tst.	62.6	65.9	.....	4.71
Income Tst.	60.2	64.8	-1.2	6.92

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking.

Friends Prov. Uts.	31.7	33.8	-0.15	4.63
Do. Accum.	42.0	45.5	.....	4.63

REGIONAL MARKETS

[illegible]election of the share prices previously shown under regional headings is [illegible]ed below with quotations on London. Irish issues, most of which are not [illegible]y listed in London, are shown separately and with prices as on the Irish [illegible].

			Craig Ship. £1	315	.....	Shiloh Spinn.	26	.....
			Hallam Sleigh 10p	8	.....	Sindall (Wm.)	53	.....
Inv. 20p	19	.....	Higsons Brew.	97	.....	IRISH		
...ning	34	.....	I.O.M. Stm. £1	135	.....			
	26½	.....	Holt (Jos.) 25p	235	+10	Alliance Gas (£1)	65	.....
...Est. 50p	145	.....	Kleen-e-Ze	22½	.....	Carroll (P. J.)	112	.....
Croft	30	.....	Lovell's Ship £1	110	.....	Clondalkin	45	.....
...Rose £1	327	.....	N'thn. Goldsmith	99	.....	Concrete Prods.	99	.....
(R.A.)	18	.....	P.M.A.	44	.....	Goodbody (£1)	[illegible]	.....
...McHdy.	69	.....	Pearce (C. H.)	80	.....	Helton (Hldgs.)	[illegible]	.....
...F'k.10p.	23	.....	Peel Mills	14	.....	Irish Distillers	58	-1
	10½	.....	Robb Caledon 5p	51	.....	Irish Wire	[illegible]	.....
...orge	45	.....	Sayers 12½p	13	.....	Jacob	59	.....
...Pkg. 5p	16½	.....	Sheffield Brick	86	.....	Sunbeam	11	.....
...Reed 25p	252	.....	Sheff. Refrshmt.	140	.....	Unidare	72	.....

[F]OOD PRICE MOVEMENTS

	May 20 £	Week ago £	Month ago £
[BAC]ON			
Danish A.1 per ton†	960	960	960
British A.1 per ton†	920	920	910
Irish Special per ton†	910	910	910
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton¶	910	910	880
[BUT]TER (packet)			
NZ per 20 lbs†	9.20- 9.26	9.20- 9.26	9.20- 9.26
English per cwt†	51.83	51.83	47.39-49.73
Danish salted per cwt†	53.39-55.33	53.39-54.82	51.73-53.40
[CHE]ESE¶			
English cheddar white rindless per tonne	—	—	—
NZ per tonne	872.5	872.5	896.5
[EGGS]*			
Home-prod. Standard	2.50- 2.70	3.00- 3.20	—
Large	3.00- 3.20	3.30- 3.60	—

	May 20 per pound p p	Week ago per pound p p	Month ago per pound p p
[BEEF]			
Scottish killed sides (ex KKCF)	40.0—42.5	40.0—43.0	38.0—41.0
[E]ire forequarters	28.0—31.0	28.0—30.0	28.0—29.0
Argentine chilled rumps	—	—	—
[LAMB]			
English	43.0—46.0	40.0—44.0	50.0—54.0
NZ PLs-PMs	33.5—39.5	36.0—39.5	33.5—37.0
[PORK] (all weights)	26.0—38.0	36.0—38.5	27.0—38.5
[MUT]TON			
English ewes	16.0—20.0	14.0—20.0	14.0—20.0
[POUL]TRY			
Broiler chickens	25.0—27.0	24.0—27.0	24.0—27.0

[*]London Egg Exchange price per 120 eggs. † Delivered. [¶For] delivery May 22-29.

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Cnv. Bd. May 19	$US8.89	+0.08	—
Energy Int. May 18	$US13.62	+0.01	—
Gr.St.$Fd. April 30	$US7.10	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. C.I. 0534 29041

CMF Ltd. April 29	$US18.21	18.67	.....	—
CMT Ltd. April 29	£10.31	10.58	.....	—
Metals Tst. Apr. 15	£12.59	12.90	.....	—
TMT May 13	$US11.28	11.67	.....	—
TMT Ltd. May 13	£11.66	11.96	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

Wrld Wide Gth. Fd.	$US11.83	+0.02	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey yield. # Suspended. ✠ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 47¼% (based on $1.8055 per £)

Conversion factor 0.6884 (0.6567)

CANADIANS

S.E. List Premium 47¼% (based on $1.7690 per £)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

[illegible]

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INDUSTRIALS—Continued

Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
Ingall Inds. 10p	20	......	‡1.57	1.7	12.1	7.9
Initial Services	64	......	†3.37	2.2	8.1	8.7
Inter-City 20p	12½	−½	0.8	ϕ	10.3	9.4
Int. Computers £1	146	......	0.65	32.9	0.7	6.0
James (John)	26	......	†d2.12	1.3	12.6	8.1
James (M) 10p	28	+1	d2.41	1.1	13.3	10.4
Jardine M. SHK5	327	−26	Q63c	ϕ	2.0	ϕ
Jentique 5p	8½	......	†0.49	2.4	8.9	7.2
Johns'n & B. 12½p	13	......	bd3.78	1.4	10.5	(12.2)
Johnson Clrs.	35	......	2.32	2.3	10.2	6.6
Johnson Mthy. £1	388	......	10.23	4.5	4.1	8.4
Judge Int.	19	−1	‡1.85	1.7	‡	—
Kalamazoo 10p	22	......	1.57	1.4	11.0	10.0
Kelsey Inds 12½p	46	......	2.63	3.5	8.8	5.0
Kennedy Sm. 10p	15	......	1.38	1.9	14.2	5.8
Kershaw (A.) 5p	675	......	12.81	0.6	2.9	126
Kleeman	180	......	4.16	5.6	3.6	7.7
Kode Int.	45	+1	1.33	3.3	4.6	10.4
L.C.P. Hlds.	70	......	†3.9	2.4	8.6	10.3
L.K. Ind'l Inv.	24	......	2.14	1.8	14.3	5.8
L.R.C. Int. 10p	42	......	†2.0	1.1	7.3	18.8
Lawson Inds	90	......	2.5	2.2	4.3	16.6
Lawtex	20	......	‡2.58	2.0	‡	—
Lead Inds. 50p	152	......	5.09	ϕ	5.2	ϕ
Leadenhall Stg.	60	......	3.32	ϕ	8.7	ϕ
Le Bas (Ed.)	66	+2	1.48	13.3	3.4	3.3
Lebuff Fobel 10p	42	......	t1.48	4.2	5.4	12.0
Lebus Harris	54	......	2.93	3.2	8.3	4.2
Leigh Ints. 5p	32	......	0.83	ϕ	4.0	ϕ
Leisure Car. 10p	80	+2	4.82	ϕ	9.6	ϕ
Len Group 10p	100	......	2.54	5.9	3.9	5.8
Lesney Prods. 5p	63	......	t2.34	5.5	5.8	6.1
Letraset 10p	77	+1	t2.54	4.6	5.1	12.9
Liden 10p	12	......	—	—	—	—
Light & Leis. 10p	35xd	−1½	t2.0	3.7	8.8	8.3
Lindsay & Wms.	15	......	‡3.06	3.6	‡	1.3
Lindustries	67	......	†3.76	3.4	8.6	4.9
Lipton (L.)	30	......	‡2.4	2.0	‡	6.2
Lon. & Nthn. Grp.	38	−½	3.35	1.7	13.6	6.5
Long Hambly. 10p	15½	......	t1.29	2.0	12.8	6.5
Longton Trans	36	......	†2.84	‡1.9	12.1	6.6
Lonsdale Univrsl.	54	......	3.77	2.3	10.7	6.2
Low & Bonar 50p	153	......	8.87	2.3	8.9	6.1
MK Refrig'n 10p	83	......	d2.51	3.7	4.8	8.7
M.Y. Dart. 10p	39xd	......	†1.37	4.5	5.4	6.9
Macanie Ldn. 10p	15½	......	1.47	1.1	14.6	9.4
McC'rthy Ph. 20p	84	+2	t3.52	2.8	6.4	9.4
Macfarlane Gp.	55	......	3.13	1.7	8.7	10.4
McBride Rbt. 10p	173	......	3.99	4.3	3.5	6.5
McCleery L'A.	20	......	1.84	2.7	14.2	4.0
Macpherson (D.)	53	......	2.14	2.8	6.2	8.9
McP'rne Tur'ds 5p	20	......	0.89	2.6	6.8	8.7
Magnolia Mfg. 10p	67	......	2.19	6.5	5.0	4.7
Magnet. Ag.M. 10p	68	......	5.2	2.4	11.8	5.4
Man. Ship Can. £1	182	......	12.67	1.8	10.7	8.0
Marks (A.) 10p	25	−2	1.35	—	8.3	—
Marling Ind. 10p	14½	......	‡0.93	5.0	9.9	3.3
Marshall L'xy. 'A'	30	+½	2.02	7.0	10.4	4.3
Marshall's Univ.	132	......	6.04	ϕ	7.2	ϕ
Martin-Black	117	......	4.0	5.1	5.3	5.7
Maynards 25p	70	......	†3.94	3.7	8.7	4.8
Medminster 10p	15	......	‡1.62	1.0	‡	9.4
Mentmore 5p	11½	......	0.83	ϕ	11.7	ϕ
Metal Box £1	277	−1	t12.1	2.5	6.7	9.6
Metal Closures	71	......	3.43	2.6	7.4	7.9
Mettoy	28xd	......	t1.87	ϕ	10.3	ϕ
Miln. Mrstrs. 50p	154	......	g6.94	2.1	6.9	11.8
Mit. Colls. Tr'sp't.	45	......	†2.72	2.0	9.3	7.1
M'santo 5pc 82-6	£265	−3	Q5%	145	2.0	—
Mono Containers	27	......	2.0	ϕ	11.4	ϕ
Monument 10p	3	......	—	—	—	—
Morgan Crucible	98xd	......	4.29	ϕ	6.7	ϕ
Moss (Robt.) 10p	41	......	†2.04	1.0	7.7	(25.5)
Moritex 10p	11	......	—	—	—	3.9
MPI 5p	9¾	−¼	—	—	—	—
Myson Gp. 10p	65	......	3.78	2.7	6.8	6.3

††INSURANCE

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
*86	71	Bowring (C.T.)	82xd	+2	t2.64	2.6	5.0	13.6
107	82	Brentnall Bd. 10p	106	......	t3.43	2.7	5.0	14.1
156	130	Britannic 5p	134	......	7.47	—	8.5	—
950	720	Combined Am. $1	787½	−32½	tQ66c	—	4.3	—
158	124	Comm. Union	124	−2	6.77	—	8.4	—
144	119	Eagle Star	129	−1	4.99	—	6.1	—
£129½	£120	Ercnia UK 9%Cnv.	£120xd	−1	Q9%	—	†7.7	—
184	156	Equity & Law 5p	162xd	......	5.44	—	5.2	—
190	156	Gen. Accident	166	......	5.81	—	5.4	—
225	195	Guardian Royal	207	+1	8.27	—	6.3	—
*422	264	Heath (C.E.) 20p	422xd	......	t13.0	ϕ	4.7	ϕ
187	143	Hogg Robinson	186	−1	†h3.23	3.7	2.7	15.4
176	126	Howden (A.) 10p	174	+2	2.47	4.8	2.2	13.1
148	124	Legal & Gen. 5p	127	......	4.65	—	5.6	—
139	94	Les. & Gdwn. 10p	132	......	3.69	2.5	4.4	14.1
140	106	Lon. & Man. 5p	116	+6	4.64	—	6.2	—
64	52	London United 5p	62	−1	3.42	1.8	8.1	10.5
226	154	Matthew Wr. 20p	218xd	......	8.04	2.0	5.7	13.8
140	100	Minet Hldgs. 20p	135xd	......	3.39	2.3	3.9	17.1
250	204	Pearl 5p	206	−2	10.24	—	7.6	—
240	204	Phoenix	212xd	−2	8.42	—	6.1	—
148	130	Provident "A"	130	......	6.65	—	7.9	—
148	130	Do. "B"	130	......	6.65	—	7.9	—
146	124	Prudential 5p	129	+1	5.41	—	6.5	—
130	108	Refuge 5p	108	......	6.83	—	9.7	—
352	300	Royal	310	−4	13.39	1.2	6.6	19.5
282	238	Sedg Forbes 10p	276	......	7.81	1.7	4.4	20.2
*113	84	Stenhouse	108	+2	t3.63	2.8	5.2	15.1
470	408	Sun Alliance £1	418xd	......	16.4	—	6.0	—
98	75	Sun Life 5p	79	......	t2.79	—	5.4	—
870	695	Taisho Mar. EDR.	815	......	Q11%	—	1.1	—
157	150	Trade Indemnity	153	......	6.83	—	6.9	—
£27	£20½	Travelers $2.50	£24⅝	−⅛	Q$1.08	—	2.2	—

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
36	22	Brit. Leyland 50p	34	+1	—	—	—	—
305	230	Gen. Mtr. Units	290	−6	12c	1.8	2.1	26.1
30	21	Lotus Car 10p	29	......	‡2.0	1.1	‡	—
9⅝	7¼	Reliant Mtr. 5p	7¼	......	0.17	5.6	3.7	7.4
*69	53½	Rolls-Royce Mtrs.	63½	......	t3.5	2.0	8.8	8.6
£29	£21½	Volvo Kr50	£25xd	−½	Q12%	1.4	2.5	29.6

Commercial Vehicles

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
25	16	Crane Frueh. 10p	18	......	0.89	ϕ	7.6	ϕ
38	21	E.R.F. (Hldgs.)	31	......	‡2.56	2.9	‡	—
21	16	Fodens (50p)	19	+1	0.32	28.3	2.6	2.1
16	11	Peak Investts. 10p	13xd	......	20.5	—	5.9	—
94½	74	Plaxtons	78xd	......	d5.9	2.1	11.6	6.4
30	24	York Trailer 10p	26xd	......	1.74	1.5	10.3	9.6

Components

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
36	28	Abbey Panels	36	......	d2.6	3.6	11.1	3.8
30	22	Airflow Stream.	28½	......	3.75	0.9	20.2	8.7
78	64½	Armstr'ng Eq. 10p	76	......	†2.69	5.0	3.4	9.1
94	74	Assoc. Eng'g	93½	+½	3.66	2.9	6.0	9.1
62	45	Automotive	61½	......	1.66	3.6	4.3	10.1
47	35½	Bluemel Bros.	46	......	3.03	1.7	10.2	8.8
18½	13½	Brown Bros. 10p	16½	......	0.6	2.7	5.6	10.3
85½	69	Clayton Dewandre	81	......	5.72	1.7	10.9	8.1
182	142	Dowty 50p	167	−4	†5.03	3.0	4.6	11.0
98	69	Dunlop 50p	89xd	......	3.57	4.3	6.2	5.7
36	30	Flight Refuelling	34	......	2.32	ϕ	10.5	ϕ
11½	8½	Hrem. Smith 10p	11½	......	0.39	7.0	5.3	3.8
67	42	Houchin	62	......	2.0	3.9	5.0	8.0
35	14	Kwik-Fit Hldgs.	28	......	20.5	—	2.7	6.4
*222	177	Lucas Inds. £1	214	+2	b7.36	4.2	5.3	7.6
112	100	Stockfis Robert	110	......	6.23	3.7	8.7	4.7
29	18	Supra Group 10p	21	+1	0.84	3.5	6.2	7.1
73	63	Turner Mfg.	66	......	3.25	ϕ	7.6	ϕ
55	32½	Wilmot Breeden	54½	......	2.45	1.3	6.9	15.7
107	84	Woodhead (J.)	92	+1	5.7	3.3	9.5	5.0

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
710	350	Blyvoor 25c	440	−40	‡Q100c	1.3	‡
£14	785	Buffels R1	950	−67½	Q180c	1.4	11.2
198	95	Deelkraal R0.20	137	−8	—	—	—
760	330	Doornfontein R1	370	−30	‡Q110c	1.4	‡
965	640	East Drie R1	760	−35	Q75c	1.7	5.9
280	160	Elandsr'd Gld Mng 20c	195	−5	—	—	
190	115	Elsburg R1	128	−5	Q33.8c	1.0	15.7
£26½	£21¼	Hartebeest R1	£23¼	−¾	Q215c	1.9	9.6
695	430	Kloof Gold R1	445	−35	Q55c	1.4	7.3
760	400	Libanon R1	420	−30	‡Q110c	1.9	‡
740	335	Southvaal 50c	535	−15	Q5c	1.3	0.9
245	140	Stilfontein 50c	155	−7	Q35c	2.2	7.7
£20½	£10¾	Vaal Reefs 50c	£14½	−¼	Q175c	2.1	7.2
420	188	Venterspost R1	188	−17	‡Q70c	1.9	‡
£35	£19¾	W. Drie R1	£23½	−1	‡Q465c	1.2	‡
315	265	W'stn Areas R1	285	−5	Q52c	1.6	15.0
£15¼	[illegible]	Western Deep R2	437½	−37½	Q147½c	1.6	9.0
290	190	Zandpan R1	235	−5	Q35½c	1.0	9.0

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
170	75	Fr. State Dev. 50c	120	−5	Q14c	1.6	6.9
£22½	£12	F.S. Geduld 50c	£15½	−½	‡Q330c	1.3	‡
200	57	F.S. Saaiplaas R1	155	−15	25c	0	2.3
465	295	Harmony 50c	390	−20	Q65c	ϕ	10.1
195	70	Loraine R1	112	−6	Q5c	0.5	3.2
£18½	950	Pres. Brand 50c	£12½	−¼	‡Q235c	1.3	‡
£13	700	Pres. Steyn 50c	750	−50	‡Q125c	2.2	‡
£23	£12	St. Helena R1	£14½	−¼	‡Q250c	1.2	‡
174	86	Unisel	112	−10	—	—	—
330	220	Welkom 50c	265	−15	‡Q55c	1.7	‡
£25½	£14	W. Holdings 50c	£17¼	−½	‡Q475c	1.2	‡

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
85	42	Botswana RST P2	60	−7	—	—	—
335	170	Messina R0.50	260	−5	†Q35c	1.9	7.6

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
10	8	Burma Mines 17½p	9	......	0.1	ϕ	1.8
39½	23	Charterhall 5p	28½	......	—	—	—
965	580	Cons. Murch. 10c	880	−20	Q80c	1.8	5.4
55	28	Lonrasia	50	−2	—	—	—
455	245	Northgate C$1	370	......	Q25c	0.5	3.5
239	178	R.T.Z.	224	−2	5.42	2.1	3.7
112	85	Sabina Inds. C$1	86	−4	—	—	—
£13⅛	£10	Tara Exptn. $1	£12⅝	−⅛	—	—	—
132	88	Yukon Cons. C$1	132	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends at current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- § Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¶ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issues: cover relates to previous dividend or forecast.
- ‒ Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Based on 1973 profits.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- ‡ Regional price.
- ∥ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

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FINANCIAL TIMES
Friday May 21 1976

Arrests as divisions emerge in Syria

BY JAMES BUXTON

SERIOUS political divisions have emerged in Syria, with the government reportedly stamping hard on dissent as it tries to achieve a consensus of the ruling Baath Party for a major foreign policy shift.

According to unconfirmed reports reaching Beirut, several hundred people, including party members and army officers, have recently been arrested.

The upheavals could have serious implications for peace-seeking attempts in the Middle East. They were almost certainly the cause of Syria's last-minute decision not to attend the Riyadh meeting this week at which it was hoped the basis of a reconciliation between Damascus and Egypt might have been worked out.

According to well-informed diplomatic sources in Damascus, the leadership of both the regional and Pan-Arab commands of the Baath Party has been meeting behind closed doors for the past few days for a thorough reappraisal of the country's policies. The discussions are believed to have been punctuated by sharp disagreements.

These sources have refused to confirm or deny reports of widespread arrests. But diplomatic sources in London suggest that there have almost certainly been arrests of at least a few dozen people, although one Beirut report, quoted by Reuter, spoke of up to 300 or 400 arrests.

The situation in Syria has been complicated by the diplomatic pressure it has been coming under in the past few days. Major Abdessalam Jalloud, Libyan Prime Minister, returned to Damascus on Wednesday night after visiting Baghdad. Earlier, he saw Left wing and Palestinian leaders in Beirut. At the end of this month, Syria must decide on renewing the mandate of the UN force on the Golan Heights.

Problems

President Hafez Assad's regime is facing a number of pressing external and internal problems. First, it is deeply committed to an intervention in Lebanon which is apparently stagnating and which has led to Syria having poor relations both with the Left wing in Lebanon and with the Palestinians.

Secondly, its regional strategy for progress towards a Middle East settlement stalled after the U.S. veto of a pro-Palestinian resolution at the U.N. Security Council.

Thirdly, Iraq, which opposes Syria's policy in Lebanon, has cut the flow of oil through pipelines passing through Syria, which is costing Syria revenue and cutting its oil supplies.

Because of these difficulties, Syria responded to Saudi and Kuwaiti mediation, no doubt backed by some financial pressure, and agreed to send its Prime Minister to a meeting with his Egyptian counterpart in Riyadh this week.

This must have amounted to too sharp a change of direction for the Baath Party and other political groups to stomach at once.

The possibility that a Riyadh meeting would end with Syria reversing its stand on the Sinai agreement was something of which the Left was naturally deeply suspicious.

In the circumstances, President Assad decided that it would be prudent at least to delay the Riyadh talks, but he is almost certainly trying to steer Syria towards some kind of rapprochement with Egypt and is prepared to use tough methods to achieve it.

European American Banking Corporation facing charges

BY STEWART FLEMING NEW YORK, May 20.

CHARGES HAVE been filed in the U.S. against the European American Banking Corporation, in which Midland Bank is a big shareholder, in connection with syndicated loans to the Colocotronis shipping group.

The four banks who have filed suits are claiming repayment of around $9m. from European American. The loans are part of an estimated $100m. syndicated by European American to about 30 U.S. banks.

The head of the international department of a major U.S. bank not involved in the suits said to-day that, irrespective of the merits or otherwise of the case, it raised issues of fundamental significance for the international banking community.

He said that these included the obligations of the lead bank and its responsibilities in this sort of syndicated loan.

"The suit goes to the essence of what a lead bank is supposed to be doing, to its fiduciary responsibility in managing, controlling and operating a syndicate," he said.

A spokesman for the Fidelity Bank of Philadelphia, Mr. William Anthony, confirmed that Fidelity was one of the banks which had filed a suit. He said the suit was filed on Friday last week because the Statute of Limitations was running out for such an action.

Mr. Anthony explained that, in making a decision to participate in the syndicated loan, Fidelity Bank "relied on information forwarded as being factual." He added that the suit contends that "certain of the things we were told were not indeed the fact and as time went on became less so."

Apart from Fidelity, the banks which have brought suits are: City National Bank of Detroit, American National Bank and Trust of New Jersey, and United Virginia Bank.

A spokesman for one of these said that although the suit related to the initial syndication of the loan, it also questioned the information provided at the time that the banks agreed to a moratorium for the financially troubled Colocotronis group.

He claimed that the bank had no right of foreclosure against the shipping group and the suit was based on the argument that European American Bank was selling securities in selling the syndicated loans.

This, he said, explained the decision to file the suit against the lead bank.

European-American is a joint operation of the EBIC group of leading European banks. Apart from Midland, these include Deutsche Bank, Amsterdam-Rotterdam Bank, Société Générale in France, Société Générale de Baque in Brussels, Banca Commerciale Italiana and Creditanstalt-Bankverein in Austria.

THE LEX COLUMN

Beecham ahead of target

Index fell 0.2 to 410.3

With £91.2m. pre-tax, a gain of 47 per cent., Beecham is around £10m. ahead of market estimates. Plainly the depreciation of sterling has something to do with the group's burst of speed, with a more favourable exchange rate adding £8m. to overseas profits and helping to explain part of the acceleration from growth of 28 per cent. after six months. Nevertheless the main reason must be a major step forward in pharmaceuticals, which have been responsible for roughly two-thirds of the £30m. advance in trading profits. The key areas here have been Japan — where Beecham has been introducing Amoxil—and the U.S., where progress has been made across a broader range of drugs. An incidental effect of the Japanese success is that the higher loading of the Singapore plant is further depressing the effective tax rate, with the overseas tax charge up only 28 per cent.

Trading profits in the U.K., aided by factors like a good summer for soft drinks and a good winter for medicines, have risen from £13.3m. to £19.5m., slightly faster than overseas growth. But much of this is straight recovery (the figure was £17.1m. two years ago) and U.K. margins remain well below those obtained elsewhere.

Beecham's financial strength looks to have improved further last year—the group emerged with net cash of £35m. at the year-end — and there are no risks in projecting another year of solid profits growth. That could drop the prospective p/e at a new peak of 390p from 11 to around 9. But the shares face a problem in a yield of only 2.2 per cent.

Boots

On a 3 per cent. rise in sales volume Boots has raised 1975-1976 profits by 23 per cent. to £81m. before tax—and an £8.8m. pensions provision. Retail sales in the U.K. rose 21½ per cent. so the group continues to keep ahead of the averages with retail chemists lifting sales by 16 per cent. over the period. But overall the second-half performance probably fell short of most outside expectations, and as a result a certain amount of caution is beginning to creep into earnings projections for 1976-77.

Retailing space in the U.K. rose by close on a tenth in 1975-1976 and a similar expansion is expected this year. But Boots reckons overheads are unlikely to benefit from further staff cuts —the workforce fell 5 per cent. last year. Overseas the main impact of the anti-rheumatic drug Brufen has already been seen. It had a full 12-months of selling in the U.S. and its market share has risen to about 50 per cent. Overall Boots could top £90m. pre-tax this year. That would edge earnings per share, up from 11¼p (cum the pensions provision) to around 12¼p for a p/e of 10½ at 135p. Meanwhile the balance sheet is still rock solid while cover for the 2.8 per cent. yield is now around 4½ times.

Burmah Oil

The cash offer of $520m. for Burmah's North American assets falls some little way short of repaying in full the Bank of England's guaranteed dollar borrowings, which stood at $554m. in the end-1975 balance sheet published last week. Moreover it is unclear how the offer compares with the book value of the assets, which Burmah has been unwilling to disclose.

Nevertheless this is a more encouraging outcome than has recently seemed likely to emerge, and if the deal goes through it will greatly strengthen Burmah's hand in the legal controversy over the Bank of England's BP stake.

Trafalgar House

Trafalgar House has increased its half-year pre-tax profits by 43 per cent. to £14m. and says prospects look "distinctly brighter" than they have for several years. After stripping out land and ship sale profits, the pre-tax gain is 28 per cent. with construction £2.5m. ahead at £6.5m. The main advance here has come from the U.K. where orders are generally still strong: the main impact from the expansion overseas will come from 1977 onwards. Elsewhere, property profits are £1.3m. higher though the shipping and leisure side is nearly £2.3m. down at £2.56m. (including ship sales) with the freight side at the bottom of the recession. But cargo activity has picked up sharply in the last couple of months.

So while this division should earn a lot more in the second half than the first, an unevi[ness] in the construction con[tri]bution may mean a lower ov[er]all growth rate in the Mar[ch-]September period with at le[ast] £30m., against £22.2m., look[ing] a feasible pre-tax target for [the] year. Beyond then, th[ere] should be the impact of a p[ick] up in product carriers and b[ulk] ships to come as well as r[ents] from 250,000 square feet of [...] space on which terms are bei[ng] finalised.

The decline of sterling co[uld] make a difference of about £[...] in a full year to profits thou[gh] provisions on currency lo[sses] to date would have knock[ed] nearly £9m. off reserves. Ho[w]ever, the group is now talk[ing] about a cash flow over the ne[xt] five years of £180m., net [of] debt redemptions and the p[re]sent modest spending plans. T[he] market poser is where the gro[up] will make its next major jum[p;] meanwhile, shareholders shou[ld] be content with a capitalisati[on] of £153m. at 102p.

Textiles

A year ago mean old Coa[ts] Patons, refusing to pay a fi[nal] dividend, presented a striki[ng] contrast with Tootal, ga[ily] upping its payout by t[he] maximum amount despite risi[ng] debt and a looming pro[b]lem of unrecovered AC[T.] Yesterday provided a di[f]ferent contrast. Tootal popp[ed] up with its not unexpect[ed] rights issue—a one-for-four [to] raise £10.7m.—and its balanc[e] sheet confirmed a further i[n]crease in indebtedness, whic[h] rose £5.4m. to £56.5m. durin[g] 1975-76. But Coats made it clea[r] in its preliminary statement tha[t] it has been able to take advan[]tage of the recession to shak[e] out cash—with an overall cas[h] inflow of £39.5m.—although th[is] will all have to go back in[to] working capital as trade pick[s] up this year and next. The div[i]dend is restored as promise[d] last June—except that the to[tal] can only be 10 rather than 1[5] per cent. greater than paid [in] 1973.

Coats earned £20.8m. pre-[tax] in the second half agains[t] £16.2m. in the first, a pick-u[p] which probably relates to ad[]vances in the U.S., Brazil a[nd] Australia. These trends ha[ve] continued so far this year, an[d] with further benefits from cu[r]rency movements since the yea[r-]end a sharp group recovery [is] likely. But the U.K., wher[e] trading profits halved last yea[r] is still in the doldrums.

House prices held down as sales remain slow

BY ANTHONY HARRIS

AN OFFICIAL estimate of house prices up to the end of March —the first such estimate published by the Government— shows that demand, especially for second-hand houses, remained slack in the first three months. Prices of new houses rose by about 1½ per cent., partly reflecting rising construction costs, but there was no movement at all in second-hand house prices.

Over the year to March, prices of second-hand houses rose 6¾ per cent. and new houses 8.3 per cent.

However, a survey of 5 per cent. of all deals shows that the ratio of average prices to the average income of buyers has now fallen below its level of 1972, the first year of the property boom, and has nearly reached the normal relationship which ruled with little change in the five years to 1971.

This suggests that in the medium term, house prices can, from now on be expected to move broadly in line with income, though in the present state of the market, this movement is unlikely to become evident for some months.

The ratio of prices to the incomes of buyers was 2.73 in the first quarter of this year, compared with a peak of 3.06 a year earlier, and a long run average of a little over 2.6.

While the price-income relationship is on average now near normal, another comparison published for the first time, that between the prices paid by first-time buyers and those buying a second or subsequent house, shows a persistent imbalance in the market.

Second-time buyers, deploying the profits made in past increases in prices, were still able to pay 47 per cent. more for a house, though the disparity in incomes was only 16½ per cent.

Since those now entering the market are not enjoying comparable capital gains, this comparison suggests that weakness at higher price ranges may persist for a long time.

The detailed figures show that the average price for new dwellings bought on mortgages completed in March was £12,817. The price for mortgages approved but not completed—a more up-to-date but less reliable indicator —was £13,082, suggesting some further rise in this sector.

In the second-hand market, prices on mortgages completed averaged £12,199, while prices on mortgages approved averaged £12,375.

New buyers accounted for almost half the total market.

In the prevailing slack market the figures show that building societies have cautiously been increasing the proportion of total price which they are prepared to cover on a mortgage. This proportion, which reached a high point of 70½ per cent in 1972, was reduced drastically after the market collapsed to a low of 61.2 per cent. a year ago.

However, it has recovered steadily over the last year to reach 65.4 per cent. in the first quarter of this year.

The societies are sticking to a cautious policy, on the other hand, in the relation of loans to the incomes of borrowers: loans have averaged 1.8 times income for nine months, compared with a 1972 high of 2.1 times income.

Walker's warnings rejected by Tories

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. PETER WALKER, former Industry Secretary, was publicly repudiated last night by the Tory Party leadership when his warnings of "divisive" Tory policies were scathingly rejected by Mr. John Nott, the party's spokesman on finance.

Commenting on the speech earlier this week in which the former Industry Secretary contended that the Conservatives lacked an incomes policy and were failing to produce constructive policy proposals, Mr. Nott said: "I find it difficult to understand what he is up to."

He added: "Of course we would get more publicity for our policies if we were prepared to do down our friends in public like Mr. Walker did yesterday. And he, of course, caught the headlines because it is easy enough to do this."

Mr. Nott, plainly speaking with the approval of the shadow Cabinet during resumed debate in the Commons "upstairs" Standing Committee on the Finance Bill, strenuously defended Sir Geoffrey Howe, shadow Chancellor, from any suggestion that he was against pay restraint.

"I don't know how it should be thought that you can unite the nation by dividing the Conservative Party. It seems a strange way of carrying on," said Mr. Nott. "And I don't see anything gained by gratuitously damaging the Conservative Party by misrepresenting what Sir Geoffrey Howe has said." Mr. Nott further condemned Mr. Walker for "caricaturing" speeches made by his former colleagues in the shadow Cabinet—from which Mr. Walker was dropped when Mrs. Thatcher became Party leader.

Another leading Tory, Mr. Patrick McNair-Wilson, without actually naming Mr. Walker, spoke of the "outpourings of so-called opinion-formers."

Mr. McNair-Wilson, MP for New Forest, said in a statement: "From reading the speeches of some of one's Parliamentary colleagues and the outpourings of so-called opinion-formers about the need for Tory policies, one can only marvel at their short memories and wobbly judgment.

"Not long ago some of these same politicians were juggling around with U-turns and the like, while the others were criticising a Conservative government for being burdened with over-detailed policies when they came into office."

Mr. McNair-Wilson said that Mrs. Thatcher had with skill rebuilt the morale of a battered party.

Mr. Robert Sheldon, Financial Secretary, intervening in the debate, suggested that Mr. Nott's speech, with its welcome for pay restraint policies, showed a complete change from recent Tory pronouncements.

Dutch cabinet may block S. Africa nuclear deal

BY MICHAEL VAN OS AMSTERDAM, May 20

THE POSSIBILITY of Dutch companies participating along with U.S. and Swiss companies in a large South African order for a twin reactor nuclear power station, the country's first, has caused considerable difficulties within the Socialist-dominated coalition.

The subject of a credit guarantee has been discussed at a number of Cabinet meetings this week, for which the overseas development co-operation Minister Mr. Jan Pronk, has had to cancel his visit to the UNCTAD conference in Nairobi.

Reports from The Hague suggest to-day that the application is likely to be turned down by the Cabinet with the smallest possible majority.

The reports also suggest that Mr. Max van der Stoel, the Foreign Minister will seek to discuss the possible South African order with Dr. Henry Kissinger at the NATO meeting in Oslo, since the U.S. General Electric Company is also a member of the consortium together with Brown Boveri of Switzerland.

In their rejection of the credit guarantee, the Socialist Cabinet Ministers are backed up by a Parliamentary motion of last November turning down the South African export deal by a single vote majority. The Dutch employment aspect was strongly used by those voting in favour.

Socialist MPs have also protested at what they term a "political exchange trick," meaning that the Dutch members of the consortium would only be supplying the non-sensitive components and conventional installations, with the U.S. partner taking over their original share for an agreed compensation.

Sources from The Hague also said to-day that the Cabinet's final decision could be taken to-morrow.

But since the granting of an export licence would no longer be needed after the arrangement of jobs within the consortium, it was pointed out that the three Dutch companies involved could try to arrange privately in Holland the necessary credit guarantees.

David Fishlock writes: No U.K. company has tendered for any part of the Koeburg nuclear project. It is understood that the Foreign Office warned U.K. manufacturers privately that they were unlikely to get export licences for South Africa's first nuclear power station.

The Koeburg Power Station, with twin 1,000 MW nuclear reactors, about 20 miles north of Cape Town, is expected to be the biggest contract let by the State-owned Electricity Supply Commission (ESCOM), and one of the biggest awarded in the Republic. The value of the nuclear portion of this contract has been put at £350m. (1975 prices)

The South African case for nuclear reactors on the Koeburg site rests on the economics of transporting either coal or electricity about 1,000 miles from the Transvaal.

First quarter expansion of 1% expected

BY ANTHONY HARRIS

OFFICIAL estimates of output and consumers' expenditure for the first quarter of 1976 show rises of about 1 per cent. over the previous quarter—very much in line with previous estimates for retail sales and industrial production.

The increase in GDP is attributed to higher activity in the distributive trades as well as higher industrial output. The growth estimate is liable to substantial revision when later output estimates, as well as those based on income and expenditure, become available.

The estimate for consumer spending, at a time when real incomes were under pressure from rising prices, suggests a fall in the savings ratio; but it includes a puzzling estimate of a £70m. rise, in 1970 prices, in sales of cars and motor cycles to consumers.

This represents an increase of 18 per cent. in real terms over the average for 1975, and no less than 30 per cent. over the previous quarter. Over the same period, advances by finance houses—the major source of credit for private car buying— advanced by 13 per cent. in money terms, enough to finance an increase of 8-9 per cent. in real terms in private car purchases.

It therefore seems that this estimate, still a preliminary one, and partly based on forecasts, is too high; this could readily occur if business purchasers took an abnormally high proportion of new car sales in the first quarter, as trade sources have suggested.

The figures also show a rise of about 10 per cent. in purchases of durable household goods— broadly in line with the retail figures—and a decline in spending on alcohol and tobacco. Expenditure on beer and wine fell, but there was an offsetting rise in purchases of spirits— probably partly in anticipation of an increase in duty in the Budget.

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GROSS DOMESTIC PRODUCT AND CONSUMER SPENDING (Seasonally adjusted)

	GDP (output measure) (1970=100)*	Consumers' expenditure† (£m. at 1970 prices)
1972 (average)	104.5	8,586
1973 (average)	110.5	8,973
1974		
1st qr.	107.5	8,835
2nd qr.	109.9	8,789
3rd qr.	111.1	8,905
4th qr.	109.7	8,992
1975		
1st qr.	109.9	9,041
2nd qr.	107.2	8,839
3rd qr.	106.7	8,729
4th qr.	107.4	8,804
1976		
1st qr.	108.6	8,895

*Preliminary estimate
†Second preliminary estimate

More back pay deal

BY CHRISTIAN TYLER, LABOUR STAFF

THE TOTAL of trade union votes pledged in support of the TUC-Government pay deal at next month's special TUC Congress grew again yesterday as the final draft of the pay document to be debated at the Congress was sent out to unions.

Decisions by the biggest unions in the steel industry and banking —the Iron and Steel Trades Confederation and the National Union of Bank Employees — added 200,000 votes to some 2.6m. already behind the policy.

That total could rise to at least 7m. after conference decisions and membership polls in the run-up to the crucial vote on June 16 in London. This includes the crucial miners' ballot which starts next week. Of the TUC's 10.4m. affiliated members, under 400,000 are so far positively committed against the policy.

Yesterday, Mr. Len Murray, TUC general secretary, made it clear in a speech to print workers in Blackpool that a vote for the pay document was essentially a vote for continuation of discussions with the Government on a whole range of other subjects like price control, unemployment, pensions and industrial investment.

This is the central theme of the pay document now going out to unions. After briefly setting out the Government's record so far on its side of the social contract, it describes the £2.50-£4 pay limit and the £1bn. of tax concessions, asking unions to authorise further bilateral talks on the other demands which TUC leaders decided to shelve in order to win a slightly higher pay limit than first offered.

The questions of price control and unemployment are dealt with more fully in another document updating the social contract, which was going out yesterday to members of the TUC-Labour Party liaison committee.

That paper will be the subject of next Monday's meeting of the liaison committee, after a week in which the Prime Minister has outlined his plans for modifying the Price Code.

But yesterday, Mr. Murray reminded Ministers that the TUC would insist on maintenance of effective price control.

Continued from Page 1

Burmah sells assets

century, underlining the remaining problems.

These are the contracts in relation to which the group is attempting to negotiate arrangements to restrict its commitments.

Under the agreement early last year with the Bank of England, by which the major bank guarantees—and a £75m. stand-by borrowing facility — were provided, Burmah was required to "press forward with the sale of its North American oil and gas business."

This was "with a view to the earliest possible reduction and repayment of the guaranteed borrowings."

When Burmah had not achieved this by the end of 1975, however, after the rejection of Reynolds' first offer, the guarantees were extended in time. This was to ensure that Burmah was not forced to make a sale deal under undue pressure of time. The transaction just announced shows that it has been able to reach a deal well within the term of the extended guarantees.

Weather

CLOUDY; outbreaks of rain.

London, S.E., E. and N.E. England, E. Anglia
Scattered showers, bright intervals. Wind W., moderate or fresh. Max. 16C (61F).

Cent. S., N.W. and Cent. N. England, Midlands, Channel Is. Lakes
Scattered showers at first; mainly dry. Wind W., moderate. Max. 16C (61F).

S.W. England, Wales, Is. of Man, N. Ireland
Mainly dry, sunny spells. Becoming cloudy with rain. Wind W., moderate or fresh. Max. 15C (59F).

Borders, Edinburgh, Dundee areas, Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland
Rather cloudy, outbreaks of rain. Becoming brighter. Wind variable, becoming S.W., moderate. Max. 13C (55F).

S.W. and N.W. Scotland, Glasgow, Cent. Highlands, Argyll
Rather cloudy; some rain, heavy at times. Wind variable, becoming S.W., moderate. Max. 14C (57F).

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	F	24	75	Luxembrg.	C	13	55
Amstrdm.	C	14	57	Madrid	S	23	73
Athens	S	24	75	Manchstr.	R	10	50
Barcelona	F	19	66	Melbourne	C	14	57
Beirut	C	19	66	Montreal	R	9	48
Belfast	Sh	10	50	Moscow	C	12	54
Belgrade	S	26	79	Munich	C	16	61
Berlin	R	13	55	Newcastle	T	8	46
Birmchm.	Sh	10	50	New York	C	19	66
Bristol	C	12	54	Oslo	C	20	68
Brussels	C	15	59	Paris	R	12	54
Budapest	F	25	77	Perth	R	21	70
B. Aires	S	14	57	Prague	F	16	61
Cairo	S	29	84	Reykjavik	S	9	48
Cardiff	F	11	52	Rio de J'o	C	29	84
Cologne	Sh	17	63	Rome	F	22	72
Copnhagn.	F	16	61	Singapore	S	31	88
Dublin	C	11	52	Stockholm	S	19	66
Edinburgh	C	10	50	Strasbourg	R	14	57
Frankfurt	F	16	61	Sydney	S	18	65
Geneva	C	15	59	Tehran	S	33	[illegible]
Glasgow	C	11	52	Tel Aviv	S	22	72
Helsinki	S	18	64	Tokyo	S	20	68
Hong Kg.	S	31	88	Toronto	C	15	59
Jo'burg	S	[illegible]	82	Vienna	F	22	72
Lisbon	S	18	64	Warsaw	F	20	68
London	Sh	14	57	Zurich	C	12	54

HOLIDAY RESORTS

		°C	°F			°C	°F
Ajaccio	S	21	70	Is. of Man	F	12	54
Algiers	F	25	77	Istanbul	S	22	72
Biarritz	F	16	61	Jersey	F	12	54
Blackpool	R	10	50	Locarno	C	18	65
Bordeaux	C	14	57	Majorca	S	22	72
Boulogne	F	11	52	Malaga	S	22	72
Casablnca.	F	18	64	Malta	S	22	72
Cape Tn.	S	20	68	Nairobi	S	23	73
Corfu	S	24	75	Naples	F	20	68
Cyprus	C	21	70	Nice	F	20	68
Dubrovnik	S	21	70	Oporto	S	16	61
Faro	S	21	70	Rhodes	C	23	73
Florence	F	21	70	Salzburg	F	15	59
Funchal	S	18	64	Tangier	S	19	66
Gibraltar	S	22	72	Tenerife	C	16	61
Guernsey	F	12	54	Tunis	C	20	68
Innsbruck	C	18	64	Valencia	F	21	70
Inverness	R	9	48	Venice	S	25	77

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sh—Showers. T—Thunderstorm.

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